

State of Arizona  
House of Representatives  
Forty-sixth Legislature  
First Regular Session  
2003

CHAPTER 104

# HOUSE BILL 2049

AN ACT

REPEALING SECTION 4-117, ARIZONA REVISED STATUTES; AMENDING SECTIONS 5-508, 8-515.04, 8-524, 8-701, 8-808, 8-812, 8-828 AND 15-231.03, ARIZONA REVISED STATUTES; REPEALING SECTION 15-1726, ARIZONA REVISED STATUTES; AMENDING SECTION 17-269, ARIZONA REVISED STATUTES; REPEALING SECTIONS 20-154.01, 20-466.05 AND 20-2319, ARIZONA REVISED STATUTES; AMENDING SECTIONS 28-1176, 30-654, 36-402 AND 36-596.52, ARIZONA REVISED STATUTES; REPEALING SECTION 36-2553, ARIZONA REVISED STATUTES; AMENDING SECTIONS 36-2902.02, 36-2904 AND 36-2983, ARIZONA REVISED STATUTES; REPEALING SECTION 36-2996, ARIZONA REVISED STATUTES; AMENDING SECTIONS 36-3415, 37-620.21, 40-464, 41-821, 41-1028 AND 41-1051, ARIZONA REVISED STATUTES; REPEALING SECTION 41-1960.02, ARIZONA REVISED STATUTES; AMENDING SECTIONS 41-1966.01, 41-2021, 41-3202, 42-5016, 44-1306, 46-134, 46-139, 46-300.06 AND 49-104, ARIZONA REVISED STATUTES; REPEALING SECTION 49-105, ARIZONA REVISED STATUTES; AMENDING SECTIONS 49-225, 49-241, 49-241.02, 49-249, 49-282, 49-461 AND 49-832, ARIZONA REVISED STATUTES; REPEALING SECTION 49-966, ARIZONA REVISED STATUTES; AMENDING SECTION 49-1051, ARIZONA REVISED STATUTES; REPEALING LAWS 1997, CHAPTER 100, SECTION 21; AMENDING LAWS 1997, CHAPTER 300, SECTION 65, AS AMENDED BY LAWS 2000, CHAPTER 280, SECTIONS 14 AND 15; AMENDING LAWS 1997, CHAPTER 300, SECTION 77; AMENDING LAWS 1997, FIRST SPECIAL SESSION, CHAPTER 1, SECTION 11, AS AMENDED BY LAWS 1998, FOURTH SPECIAL SESSION, CHAPTER 1, SECTION 8; AMENDING LAWS 1997, FIRST SPECIAL SESSION, CHAPTER 7, SECTION 62; AMENDING LAWS 1999, CHAPTER 250, SECTION 17; RELATING TO STATE AGENCIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Repeal

3 Section 4-117, Arizona Revised Statutes, is repealed.

4 Sec. 2. Section 5-508, Arizona Revised Statutes, is amended to read:

5 5-508. Studies and investigations

6 ~~A. The director shall report immediately to the governor, the speaker~~  
7 ~~of the house of representatives and the president of the senate any matters~~  
8 ~~that require immediate changes in the laws of this state to prevent abuses~~  
9 ~~or evasions of this chapter or rules promulgated pursuant to this chapter or~~  
10 ~~to rectify undesirable conditions in connection with the administration or~~  
11 ~~operation of the lottery.~~

12 B. A. The director shall conduct an ongoing study and investigation  
13 of the lottery for the following purposes:

14 1. To ascertain any defects in this chapter or in the rules through  
15 which any abuses in the administration and operation of the lottery or any  
16 evasion of this chapter or the rules may arise or be practiced.

17 2. To formulate recommendations for changes in this chapter.

18 3. To guard against the use of this chapter and the rules as a cloak  
19 for organized gambling and crime.

20 4. To insure that this chapter and the rules are in a form and are  
21 administered to serve the true purposes of this chapter.

22 C. B. The director shall conduct an ongoing study and investigation  
23 of the operation and the administration of lottery laws in effect in other  
24 states or countries, any literature on the subject which THAT may be  
25 published or available, any federal laws which THAT may affect the operation  
26 of the lottery and the reaction of citizens to existing and potential  
27 features of the lottery with a view to recommending or effecting changes that  
28 will tend to serve the purposes of this chapter.

29 Sec. 3. Section 8-515.04, Arizona Revised Statutes, is amended to  
30 read:

31 8-515.04. State foster care review board; members; personnel;  
32 training programs; compensation

33 A. There ~~THE STATE FOSTER CARE REVIEW BOARD~~ is established within the  
34 supreme court ~~the state foster care review board which shall be composed~~  
35 ~~CONSISTING~~ of seven persons with WHO HAVE knowledge of the problems of foster  
36 care AND WHO ARE appointed by the supreme court and OF the members of the  
37 local foster care review boards WHO ARE appointed by the presiding judge of  
38 the juvenile court. In counties having only one foster care review board,  
39 the judge shall appoint one member. In counties having more than one foster  
40 care review board, the presiding judge of the juvenile court shall appoint  
41 to the state board only one member for every three boards. ~~Terms of office~~  
42 ~~of Members of the state board, who are local board members, shall be SERVE~~  
43 ~~TERMS THAT ARE coterminous with their terms as members of local review~~  
44 ~~boards. Terms of office of Members who are appointed by the supreme court~~

1 shall be SERVE TERMS THAT ARE not less than two years, nor more than five  
2 years.

3 B. The state board shall select a chairman and a vice-chairman and ANY  
4 other officers it deems necessary.

5 C. The state board shall meet no less than twice annually and more  
6 frequently ~~upon~~ ON the call of the chairman or as the board shall determine  
7 DETERMINES. The supreme court may adopt reasonable rules relating to the  
8 functions and procedures of the local boards and the state board in  
9 accordance with the duties of the boards as provided in this article. The  
10 state board shall review and coordinate the activities of the local boards  
11 and ~~make recommendations to the supreme court, the governor and the~~  
12 ~~legislature on or before January 15 of each year regarding foster care~~  
13 ~~statutes and policies and procedures.~~

14 D. The supreme court shall employ a coordinator and other personnel  
15 it deems necessary to carry out the duties of the state board and the local  
16 boards. Compensation for all personnel shall be determined pursuant to  
17 section 38-611.

18 E. The state board shall establish training programs for local board  
19 members, which shall include periodic in-service training.

20 F. State board members shall be compensated as determined pursuant to  
21 title 38, chapter 4, article 2.

22 Sec. 4. Section 8-524, Arizona Revised Statutes, is amended to read:

23 8-524. Special advocate fund

24 A. The court appointed special advocate fund is established consisting  
25 of monies received pursuant to section 5-518. The fund is subject to annual  
26 legislative appropriation. Monies appropriated by the legislature from the  
27 court appointed special advocate fund for the court appointed special  
28 advocate program shall be used by the supreme court to operate, improve,  
29 maintain and enhance the program.

30 B. A court may request fund monies by submitting a program plan and  
31 funding request to the supreme court pursuant to rules adopted by the court.

32 ~~C. The supreme court shall submit an annual report to the governor,~~  
33 ~~the president of the senate and the speaker of the house of representatives~~  
34 ~~detailing the status of the court appointed special advocate program and the~~  
35 ~~expenditure of all monies appropriated for this purpose.~~

36 Sec. 5. Section 8-701, Arizona Revised Statutes, is amended to read:

37 8-701. Healthy families program; administration; consent;  
38 access to records

39 A. The healthy families program is established in the department of  
40 economic security. The program shall provide services to children under five  
41 years of age and members of their families that are designed to prevent child  
42 abuse or neglect and to promote child development and wellness.

43 B. The department shall:

44 1. Develop standardized program eligibility criteria to be used for  
45 identifying families in greatest need of program services. A person who has

1 a substantiated child abuse or neglect report with child protective services  
2 pursuant to section 13-3620 is ineligible to participate in the program. The  
3 department shall remove a person from the program if that person has a report  
4 of child abuse or neglect substantiated by child protective services.

5 2. Develop the following program functions:

6 (a) Comprehensive standardized risk assessment evaluation for newborns  
7 and their families.

8 (b) A method to identify families that have the greatest need for  
9 program services. The department shall establish a method of disclosing to  
10 parents at the time of their admission to a hospital for childbirth that they  
11 may be contacted regarding program services.

12 (c) Outreach services that are conducted primarily through  
13 prescheduled home visits.

14 3. Establish methods that assist program participants to reduce  
15 illiteracy, reduce dependency on welfare, encourage employment, encourage  
16 self-sufficiency and encourage community involvement by program participants  
17 through community service, employment or participation in religious or social  
18 organizations.

19 4. Develop employment guidelines for program personnel that include  
20 background checks for those personnel who will have direct contact with  
21 pregnant women or families or who will have access to program participant  
22 records. Employment guidelines shall include skill development in child  
23 abuse and neglect detection and in the collection of relevant program data.

24 5. Track program costs.

25 6. Develop a client satisfaction survey to be administered before the  
26 fourth prescheduled home visit.

27 7. Offer parents education on prenatal care.

28 8. Establish guidelines for requiring program participants to engage  
29 in community service activities in exchange for benefits received from the  
30 program. Participants shall be allowed to choose from a variety of community  
31 and faith-based service providers that are under contract with the department  
32 to provide community service opportunities or program services. Participants  
33 shall be allowed and encouraged to engage in community services within their  
34 own communities. Participants shall be allowed to fulfill the requirements  
35 of this subdivision PARAGRAPH by providing community services to the program  
36 from which they received services.

37 ~~9. Submit an annual report by December 31 to the governor, the speaker~~  
38 ~~of the house of representatives and the president of the senate regarding the~~  
39 ~~community service activities of program participants pursuant to paragraph~~  
40 ~~5 of this subsection, including information on the number of participants,~~  
41 ~~the types of community service performed and the number of hours spent in~~  
42 ~~community service activities.~~

43 C. The goals of the healthy families program include:

44 1. Reducing child abuse and neglect.

45 2. Promoting child wellness and proper development.

1           3. Strengthening family relations.

2           4. Promoting family unity.

3           5. Reducing dependency on drugs and alcohol.

4           D. The healthy families program shall provide the following services  
5 to program participants:

6           1. Informal counseling or emotional support services.

7           2. Assistance in developing parenting and coping skills.

8           3. Education on the importance of good nutritional habits to improve  
9 the overall health of their children.

10          4. Education on developmental assessments so that early identification  
11 of any learning disabilities, physical handicaps or behavioral health needs  
12 are determined.

13          5. Education on the importance of preventative health care and the  
14 need for screening examinations such as hearing and vision.

15          6. Assistance and encouragement to provide age appropriate  
16 immunizations so that their children are immunized.

17          7. Assistance and encouragement to access comprehensive private and  
18 public preschool and other school readiness programs.

19          8. Assistance in applying for private and public financial assistance  
20 including employment services.

21          9. Assistance in accessing other applicable community and public  
22 services including employment services.

23          E. Program participants shall be provided with the Arizona children  
24 and families resource directory compiled under section 36-698 in order to  
25 help them answer questions concerning early childhood development.

26          F. Program services shall not be provided under this section unless:

27          1. Participation in the program is initiated in response to a request  
28 by the potential program participant.

29          2. A verbal explanation of the program is provided to program  
30 participants, including an explanation of the rights and responsibilities of  
31 both the participant and the program provider.

32          3. The written, informed consent of the program participants is  
33 received. The consent form shall include at least a clear description of the  
34 program, including the activities and information to be provided by the  
35 program during prescheduled home visits, the number of expected home visits,  
36 the right of program participants to terminate participation in the program  
37 at any time, any responsibilities of the program participants, a statement  
38 that a record will be made and maintained of the home visits and may be  
39 available in future court proceedings, and any other information that is  
40 necessary to convey to the program participants a clear understanding of the  
41 program.

42          G. The initial contact may be in person and at any convenient  
43 location, except that if the contact occurs at the primary residence of the  
44 potential program participant, the program personnel shall not enter the

1 residence during the initial contact without the permission of the potential  
2 program participant.

3 H. If the potential program participant is a minor living with the  
4 minor's parent or guardian, home visits shall not be provided under this  
5 section without the additional written consent of the parent or guardian.

6 I. If any home visits are to be made by program personnel who are  
7 required to report suspected abused or neglected children pursuant to title  
8 13, chapter 36, the consent form shall also contain a clear and conspicuous  
9 statement informing parents that the home visits will be made by a person who  
10 is required to report any instances of suspected abuse or neglect of children  
11 to child protective services in the department of economic security or its  
12 successor.

13 J. Program participants shall have access to the records on their own  
14 family at all times and shall have the right to correct any inaccurate  
15 information included in the records. Records, except for nonidentifiable  
16 demographic characteristics, shall be destroyed five years after the  
17 participants' last involvement in the program. Program records are not  
18 available to other government agencies or programs in the department without  
19 specific prior written consent by the program participant for the release of  
20 information in the program participant's records. Program personnel shall  
21 not wilfully include defamatory information or maliciously include derogatory  
22 information in the records. Program participants have a right of action  
23 against any program personnel for the knowing or reckless inclusion of  
24 defamatory information in the records.

25 K. This section shall not prohibit a person from satisfying the  
26 reporting requirements of section 13-3620 or from complying with a court  
27 order to produce records.

28 Sec. 6. Section 8-808, Arizona Revised Statutes, is amended to read:

29 8-808. Parent assistance program

30 A. A parent assistance program is established in the administrative  
31 office of the supreme court for the purpose of providing information to and  
32 assisting parents or guardians in understanding the process of removal of a  
33 child from the home. The administrative office of the supreme court shall  
34 establish parent assistance offices in counties having a population of four  
35 hundred thousand persons or more and shall provide twenty-four hour telephone  
36 hot line access statewide.

37 B. The administrative office of the supreme court shall hire and  
38 employ staff, subject to legislative appropriation, for purposes relating to  
39 the functions of the parent assistance program.

40 C. The parent assistance program shall provide the following  
41 information to parents or guardians:

42 1. The parents' or guardians' legal rights including the right to  
43 attend court or foster care review board hearings.

44 2. The means for accessing personnel who can provide information on:

45 (a) The well-being of the child WHO IS removed from the home.

1 (b) The community resources which THAT are available.

2 3. The procedures for requesting an attorney or a temporary custody  
3 hearing and the consequences of failure to make the request.

4 D. The administrative office of the supreme court shall maintain  
5 current statistics on the utilization of and types of calls received by the  
6 parent assistance program. The administrative office of the supreme court  
7 shall submit an annual report of the program's statistics to the governor,  
8 the joint legislative committee on children and family services, the  
9 president of the senate and the speaker of the house of representatives on  
10 or before December 31 of each year MAKE THE INFORMATION AVAILABLE TO THE  
11 PUBLIC ON REQUEST AND ON THE ADMINISTRATIVE OFFICE OF THE SUPREME COURT'S WEB  
12 SITE.

13 E. The administrative office of the supreme court shall coordinate  
14 efforts with the department of economic security to provide each parent or  
15 guardian with written notice of the services offered by the parent assistance  
16 program at the time initial contact is made with a family.

17 Sec. 7. Section 8-812, Arizona Revised Statutes, is amended to read:

18 8-812. Child protective services expedited substance abuse  
19 treatment fund

20 A. The child protective services expedited substance abuse treatment  
21 fund is established consisting of monies appropriated by the  
22 legislature. The department of economic security shall administer the fund.

23 B. Monies in the fund are exempt from the provisions of section 35-190  
24 relating to lapsing of appropriations.

25 C. Monies in the fund shall be used to provide expedited substance  
26 abuse treatment to parents or guardians with a primary goal of facilitating  
27 family preservation or reunification, including, if necessary, services that  
28 maintain the family unit in a substance abuse treatment setting. Fund monies  
29 shall not be spent on behalf of a parent or guardian unless all of the  
30 following are true:

31 1. The parent or guardian is a party to a dependency action concerning  
32 a child of the parent or a child under the care of the guardian.

33 2. The parent or guardian is not eligible for benefits under title XIX  
34 of the social security act (P.L. 89-97; 79 Stat. 344) or private insurance,  
35 or the necessary substance abuse treatment service is not available under  
36 title XIX of the social security act or private insurance.

37 3. The case plan provides for the child to either remain with or  
38 return to the parent or guardian.

39 4. The treatment is necessary for the case plan to be accomplished.

40 D. The department of economic security shall give preference in using  
41 fund monies to pay for treatment for parents or guardians who are parties in  
42 cases that are part of any judicially or legislatively created program for  
43 expedited proceedings in dependency determinations.

44 E. The fund is the payor of last resort for treatment. Fund monies  
45 shall not be spent to pay for treatment if other monies are available to pay

1 for the treatment. If it is determined after fund monies are spent to pay  
2 for treatment that other monies were available to pay for the treatment, the  
3 department of economic security may seek to have the fund reimbursed for the  
4 payment.

5 F. The department of economic security shall ~~report to the legislature~~  
6 ~~each year~~ MAKE THE FOLLOWING INFORMATION AVAILABLE TO THE PUBLIC ON REQUEST  
7 AND ON THE DEPARTMENT OF ECONOMIC SECURITY'S WEB SITE:

8 1. The number and percentage of parents and guardians who are offered  
9 treatment paid for with fund monies and who complete treatment.

10 2. The number of cases and children who are able to remain with or are  
11 returned to the custody of their parents or guardians as a result, in whole  
12 or in part, of treatment paid for with fund monies.

13 3. The number of children who receive expedited permanent placement  
14 as a result of the availability of services paid for with fund monies.

15 ~~G. In the annual report prescribed in subsection F of this section,~~  
16 ~~the department of economic security shall report separately~~

17 4. Data for cases that are part of expedited proceedings as described  
18 in subsection D of this section.

19 ~~H.~~ G. The department of economic security shall provide services  
20 pursuant to this section in collaboration with the department of health  
21 services.

22 ~~I.~~ H. A recipient of services that are paid for with fund monies  
23 shall sign a written statement that is substantially in the following form:

24 By signing this document, I indicate my understanding of  
25 the seriousness of my substance abuse problem and its effects on  
26 my ability to parent my child or children. I understand that  
27 this expedited substance abuse TREATMENT program is paid for  
28 with monies that were specifically provided to speed the  
29 resolution of the case plan to return the child OR CHILDREN to  
30 the parent. I acknowledge that successful completion of this  
31 treatment program will be a significant factor in my future  
32 relationship with my child or children, the state of Arizona and  
33 child protective services. I fully intend to complete the  
34 substance abuse treatment program as part of the case plan to  
35 obtain custody of my child or children.

36 Sec. 8. Section 8-828, Arizona Revised Statutes, is amended to read:  
37 8-828. Family advocacy office; duties; program termination

38 A. The family advocacy office is established in the department of  
39 economic security pursuant to rules adopted by the department. The director  
40 shall administer the office and shall provide staff for the office.

41 B. The office shall:

42 1. Respond to complaints regarding individual cases that involve the  
43 child welfare system.

44 2. On request immediately review the removal of a child before a  
45 petition for dependency is filed pursuant to this chapter.



1           3. Assemble a multidisciplinary case consultation team to assist the  
2 office in its review of complaints. The team shall include public members  
3 who are appointed by the director and who are not department employees and  
4 who do not have a contract with the department. Public members are not  
5 eligible to receive compensation but are eligible for reimbursement of  
6 expenses pursuant to title 38, chapter 4, article 2.

7           4. Establish a system to track all complaints it receives. The  
8 tracking system shall be specific for each district office established  
9 pursuant to section 41-1961. Public members are not eligible to receive  
10 compensation but are eligible for reimbursement of expenses pursuant to title  
11 38, chapter 4, article 2.

12           5. Based on the information it receives pursuant to paragraph 4 of  
13 this subsection, submit a monthly report to the director on the following:

14           (a) The number, type and source of complaints received by each  
15 district office.

16           (b) The result of its investigations of each complaint.

17           (c) Any problems with the child welfare system that the family  
18 advocacy office has identified.

19           6. ~~Submit a semiannual report of its activities and recommendations~~  
20 ~~to the governor, the speaker of the house of representatives, the president~~  
21 ~~of the senate and the joint legislative committee on children and family~~  
22 ~~services established pursuant to section 41-1291. The office shall provide~~  
23 ~~a copy of each report to the secretary of state and the director of the~~  
24 ~~department of library, archives and public records.~~

25           C. The program established pursuant to this section ends on July 1,  
26 2005 pursuant to section 41-3102.

27           Sec. 9. Section 15-231.03, Arizona Revised Statutes, is amended to  
28 read:

29           15-231.03. School safety survey report

30           ON OR BEFORE SEPTEMBER 15, 2007, AND EVERY FOUR YEARS THEREAFTER, the  
31 department of education annually shall conduct a random survey of school  
32 districts on school safety and by September 15 submit a written report that  
33 summarizes the results to the governor, the president of the senate and the  
34 speaker of the house of representatives and submit a copy of this report to  
35 the department of ARIZONA STATE library, archives and public records.

36           Sec. 10. Repeal

37           Section 15-1726, Arizona Revised Statutes, is repealed.

38           Sec. 11. Section 17-269, Arizona Revised Statutes, is amended to read:

39           17-269. Game and fish publications revolving fund

40           A. A game and fish publications revolving fund is established  
41 consisting of monies received from the sale of publications pursuant to  
42 section 17-231, subsection B, paragraph 9. The monies in the fund are  
43 appropriated to the department to produce and distribute department  
44 publications and information. Monies in the game and fish publications  
45 revolving fund that at any time are in excess of eighty thousand dollars

1 shall immediately revert to the game and fish fund. Monies in the game and  
2 fish publications revolving fund up to an amount of eighty thousand dollars  
3 are exempt from the provisions of section 35-190 relating to lapsing of  
4 appropriations.

5 ~~B. The Arizona game and fish commission or department shall report~~  
6 ~~quarterly to the joint legislative budget committee the balance of the game~~  
7 ~~and fish publications revolving fund, the date and amount of each expenditure~~  
8 ~~made from the fund and the purpose for which the expenditure was made, the~~  
9 ~~publications produced pursuant to section 17-231, subsection B, paragraph 9,~~  
10 ~~the selling price of each publication and the quantity of each publication~~  
11 ~~sold in that quarter.~~

12 Sec. 12. Repeal

13 Sections 20-154.01, 20-466.05 and 20-2319, Arizona Revised Statutes,  
14 are repealed.

15 Sec. 13. Section 28-1176, Arizona Revised Statutes, is amended to  
16 read:

17 28-1176. Off-highway vehicle recreation fund

18 A. An off-highway vehicle recreation fund is established. The fund  
19 consists of:

- 20 1. Monies appropriated by the legislature.
- 21 2. Monies deposited pursuant to section 28-5927.
- 22 3. Federal grants and private gifts.
- 23 4. Matching monies from federal, state, local or private entities.

24 B. Monies in the off-highway vehicle recreation fund are appropriated  
25 to the Arizona state parks board solely for the purposes provided in this  
26 article. Interest earned on monies in the fund shall be credited to the  
27 fund. Monies in the off-highway vehicle recreation fund are exempt from the  
28 provisions of section 35-190 relating to lapsing of appropriations.

29 C. The Arizona game and fish department shall spend thirty per cent  
30 of the monies in the off-highway vehicle recreation fund for an informational  
31 and educational program on off-highway vehicle recreation and law enforcement  
32 activities relating to this article and for off-highway vehicle law  
33 enforcement pursuant to title 17, chapter 4, article 3.

34 ~~D. On or before December 31 of each year, the Arizona game and fish~~  
35 ~~department shall submit an annual report to the president of the senate, the~~  
36 ~~speaker of the house of representatives and the chairmen of the senate and~~  
37 ~~house of representatives committees on transportation or their successor~~  
38 ~~committees. The annual report shall include information on:~~

- 39 1. ~~The amount of monies spent or encumbered in the fund during the~~  
40 ~~preceding fiscal year for the purposes of law enforcement activities.~~
- 41 2. ~~The amount of monies spent from the fund during the preceding~~  
42 ~~fiscal year for employee services.~~
- 43 3. ~~The number of full-time employees employed in the preceding fiscal~~  
44 ~~year in connection with law enforcement activities.~~

1        ~~E.~~ D. The Arizona state parks board shall spend seventy per cent of  
2 the monies in the off-highway vehicle recreation fund for the following  
3 purposes:

4        1. No more than eighteen per cent to fund staff support to plan and  
5 administer the off-highway vehicle recreation fund.

6        2. To establish a facility development program based on the priorities  
7 established in the off-highway vehicle plan.

8        3. To establish a matching fund program for funding off-highway  
9 related law enforcement, informational and environmental education programs,  
10 mitigation of environmental damage, facility development; land acquisition  
11 and construction of off-highway vehicle related facilities.

12       ~~F.~~ E. The allocation of the monies in the matching fund program  
13 prescribed in subsection ~~E~~ D, paragraph 3 of this section and the  
14 percentages allocated to each of the purposes prescribed in the program shall  
15 be determined by an off-highway vehicle plan prepared by the Arizona outdoor  
16 recreation coordinating commission and approved by the state parks board.

17       ~~G.~~ F. Monies in the matching fund program established under  
18 subsection ~~E~~ D, paragraph 3 of this section shall be distributed in an  
19 amount determined by the Arizona outdoor recreation coordinating commission  
20 to a qualified state or federal agency, city, town, county or tribal  
21 government. The Arizona state parks board may require additional matching  
22 monies that may be direct monies or in-kind services from these entities  
23 before the distribution pursuant to this subsection.

24       ~~H.~~ G. Agencies receiving monies under this section shall use the  
25 monies:

26       1. To designate, construct, maintain and manage off-highway vehicle  
27 recreation facilities, off-highway vehicle use areas and off-highway vehicle  
28 trails within land under the jurisdiction of the particular agency.

29       2. For enforcement of off-highway vehicle laws.

30       3. For mitigation of damages to land.

31       4. For off-highway vehicle related environmental education.

32       ~~I.~~ H. The Arizona outdoor recreation coordinating commission shall  
33 examine applications for eligible projects and determine the amount of  
34 funding, if any, for each project.

35       ~~J.~~ The Arizona state parks board shall annually report to the  
36 legislature the expenditures made for the projects in conjunction with the  
37 report required by section 41-511.12. The annual report shall include the  
38 amount of monies spent or encumbered during the preceding fiscal year for the  
39 purposes described in subsection ~~E~~ of this section.

40       Sec. 14. Section 30-654, Arizona Revised Statutes, is amended to read:

41       30-654. Powers and duties of the agency

42       A. The agency may:

43       1. Accept grants or other contributions from the federal government  
44 or other sources, public or private, to be used by the agency to carry out  
45 any of the purposes of this chapter.

1           2. Do all things necessary, within the limitations of this chapter,  
2 to carry out the powers and duties of the agency.

3           3. Conduct an information program, including but not limited to:

4           (a) Providing information on the control and regulation of sources of  
5 radiation and related health and safety matters, on request, to members of  
6 the legislature, the executive offices, state departments and agencies and  
7 county and municipal governments.

8           (b) Providing such published information, audiovisual presentations,  
9 exhibits and speakers on the control and regulation of sources of radiation  
10 and related health and safety matters to the state's educational system at  
11 all educational levels as may be arranged.

12           (c) Furnishing to citizen groups, on request, speakers and such  
13 audiovisual presentations or published materials on the control and  
14 regulation of sources of radiation and related health and safety matters as  
15 may be available.

16           (d) Conducting, sponsoring or cosponsoring and actively participating  
17 in the professional meetings, symposia, workshops, forums and other group  
18 informational activities concerned with the control and regulation of sources  
19 of radiation and related health and safety matters when representation from  
20 this state at such meetings is determined to be important by the agency.

21           B. The agency shall:

22           1. Regulate the use, storage and disposal of sources of radiation.

23           2. Establish procedures for purposes of selecting any proposed  
24 permanent disposal site located within this state for low level radioactive  
25 waste.

26           3. Coordinate with the department of transportation and the  
27 corporation commission in regulating the transportation of sources of  
28 radiation.

29           4. Assume primary responsibility for and provide necessary technical  
30 assistance to handle any incidents, accidents and emergencies involving  
31 radiation or sources of radiation occurring within this state.

32           5. Adopt rules deemed necessary to administer this chapter in  
33 accordance with title 41, chapter 6.

34           6. Adopt uniform radiation protection and radiation dose standards to  
35 be as nearly as possible in conformity with, and in no case inconsistent  
36 with, the standards contained in the regulations of the United States nuclear  
37 regulatory commission and the standards of the United States public health  
38 service. In the adoption of the standards, the agency shall consider the  
39 total occupational radiation exposure of individuals, including that from  
40 sources not regulated by the agency.

41           7. Adopt rules for personnel monitoring under the close supervision  
42 of technically competent people in order to determine compliance with safety  
43 rules adopted under this chapter.

1       8. Adopt a uniform system of labels, signs and symbols and the posting  
2 of the labels, signs and symbols to be affixed to radioactive products,  
3 especially those transferred from person to person.

4       9. By rule require adequate training and experience of persons  
5 utilizing sources of radiation with respect to the hazards of excessive  
6 exposure to radiation in order to protect health and safety.

7       10. Adopt standards for the storage of radioactive material and for  
8 security against unauthorized removal.

9       11. Adopt standards for the disposal of radioactive materials into the  
10 air, water and sewers and burial in the soil in accordance with 10 Code of  
11 Federal Regulations part 20.

12       12. Adopt rules applicable to the shipment of radioactive materials in  
13 conformity with and compatible with those established by the United States  
14 nuclear regulatory commission, the department of transportation, the UNITED  
15 STATES treasury department and the United States postal service.

16       13. In individual cases, impose additional requirements to protect  
17 health and safety or grant necessary exemptions which will not jeopardize  
18 health or safety, or both.

19       14. Make recommendations to the governor and furnish such technical  
20 advice as required on matters relating to the utilization and regulation of  
21 sources of radiation.

22       ~~15. Make an annual report to the governor and the legislature.~~

23       ~~16.~~ 15. Conduct or cause to be conducted off-site radiological  
24 environmental monitoring of the air, water and soil surrounding any fixed  
25 nuclear facility, any uranium milling and tailing site and any uranium  
26 leaching operation, and maintain and report the data or results obtained by  
27 the monitoring as deemed appropriate by the agency.

28       ~~17.~~ 16. Develop and utilize information resources concerning radiation  
29 and radioactive sources.

30       ~~18.~~ 17. Prescribe by rule a schedule of fees to be charged to  
31 categories of licensees and registrants of radiation sources, including  
32 academic, medical, industrial, waste, distribution and imaging categories.  
33 The fees shall cover a significant portion of the reasonable costs associated  
34 with processing the application for license or registration, renewal or  
35 amendment of the license or registration and the costs of inspecting the  
36 licensee or registrant activities and facilities, including the cost to the  
37 agency of employing clerical help, consultants and persons possessing  
38 technical expertise and using analytical instrumentation and information  
39 processing systems.

40       ~~19.~~ 18. Adopt rules establishing radiological standards, personnel  
41 standards and quality assurance programs to assure the accuracy and safety  
42 of screening and diagnostic mammography.

43       C. All fees collected under subsection B, paragraph 18 shall be  
44 deposited, PURSUANT TO SECTIONS 35-146 AND 35-147, in the state general fund.

1           Sec. 15. Section 36-402, Arizona Revised Statutes, is amended to read:  
2           36-402. Exemptions

3           This chapter ~~or~~ AND the rules adopted by the director pursuant to this  
4 chapter do not authorize the licensure, supervision, regulation or control  
5 of:

6           1. The remedial care or treatment of residents or patients in any home  
7 or institution conducted only for those who rely solely on treatment by  
8 prayer or spiritual means in accordance with the creed or tenets of any well  
9 recognized church or religious denomination.

10          2. Establishments, such as motels, hotels and boarding houses, which  
11 THAT provide domiciliary and ancillary commercial services, but do not  
12 provide adaptive, medical, hospital, nursing, health-related or supervisory  
13 care services.

14          3. Private offices and clinics of health care providers licensed under  
15 title 32 that are not freestanding urgent care centers, unless:

16           (a) Patients are kept overnight as bed patients or treated otherwise  
17 under general anesthesia except where treatment by general anesthesia is  
18 regulated by title 32, chapter 11.

19           (b) The office or clinic is an abortion clinic. For the purposes of  
20 this subdivision, "abortion clinic" has the same meaning prescribed in  
21 section 36-449.01.

22          4. Dispensaries and first aid stations located within business or  
23 industrial establishments maintained solely for the use of employees if the  
24 facility does not contain inpatient beds and is under the supervision of a  
25 physician.

26          5. The collection, processing or distribution of whole human blood,  
27 blood components, plasma, blood fractions or derivatives procured, processed  
28 or distributed by federally licensed and regulated blood banks.

29          6. Adult foster care homes certified by the county or the department  
30 pursuant to section 11-293.01 or 36-410.

31          7. Places where four or fewer adults not related to the administrator  
32 or owner receive adult day health services for compensation on a regular  
33 basis.

34          8. Places at which persons receive health related services only from  
35 relatives or from legal guardians or places that do not purport to be  
36 establishments that regularly provide health related services and at which  
37 one or two persons receive health related services on a twenty-four hour  
38 basis.

39          9. The Arizona pioneers' home. However, the department of health  
40 services shall evaluate the health and sanitation conditions at the Arizona  
41 pioneers' home annually using the standards applicable to licensed nursing  
42 care institutions. ~~The department shall prepare and distribute reports of~~  
43 ~~these visits to the president of the senate, the speaker of the house of~~  
44 ~~representatives and the governor within thirty days of each visit. Reports~~  
45 ~~shall include information as to the extent of compliance with applicable~~

~~standards as compared to licensed nursing care institutions and recommendations for the improvement of care and services provided.~~

10. The personal residence of a terminally ill person, or the personal residence of that person's relative or guardian, where that person receives hospice services from a hospice service agency.

11. All medical and health related facilities and services that are provided to inmates who are confined in a state prison. The state department of corrections shall annually evaluate the medical and health related facilities and services that are provided to inmates to determine that the facilities and services meet the applicable standards that are adopted by the director of the department of health services. The state department of corrections shall report the results of its annual evaluation and the actual findings, including a plan of correction for any deficiencies, to the director of the department of health services. The department of health services shall conduct validation surveys on a percentage of the medical and health related facilities, the number of which shall be determined by the state department of corrections and the department of health services. The director of the state department of corrections shall maintain the annual evaluation reports. This paragraph does not apply to licensed behavioral or mental health inpatient treatment facilities that the state department of corrections operates.

Sec. 16. Section 36-596.52, Arizona Revised Statutes, is amended to read:

36-596.52. Family support program; administration

A. The division shall administer a family support program subject to funding appropriated by the legislature or otherwise available for this purpose. The division shall adopt rules to implement this article.

B. The division's annual budget request shall include a specific request for family support program funding.

C. The division shall develop a family support plan to:

1. Assess needs, establish goals and set priorities for the provision of family support services.

2. Provide a coordinated delivery of family support services.

3. Develop comprehensive services, resources and programs for families.

4. Review and comment on plans and services that are provided by state agencies and that affect the family support plan.

D. The developmental disabilities advisory council shall review the plan prescribed under subsection C.

E. The division may coordinate and assist in coordinating efforts by public and private agencies to provide family support services. These efforts include:

1. Identifying services provided by different agencies to eliminate duplication.

1           2. Designing areas of responsibility for services, identifying gaps  
2 in services and assigning responsibility for providing missing services.

3           3. Coordinating planning and implementation among agencies and  
4 consumer groups to ensure that interagency programs receive full support from  
5 all affected persons and agencies.

6           F. The division shall work with families to develop criteria to be  
7 used as a standard of services based on need and used during the individual  
8 program plan process to determine family eligibility for family support  
9 services. To do this the division may:

10          1. Use existing districts as the single entry point for families  
11 seeking services from the division and the family support program.

12          2. Use existing public and private local agencies, facilities and  
13 resources, including parent advisory groups, to carry out the daily  
14 operations of the family support program.

15          3. Provide grants to or contract with agencies, grantees and vendors  
16 to provide family support services, subject to funding appropriated by the  
17 legislature or otherwise available for this purpose, especially in regions  
18 of this state that are inadequately served.

19          4. Provide technical assistance to agencies and consumer groups that  
20 are developing or offering family support services, resources and programs.

21          5. Use available state, regional and local media to support outreach  
22 to families.

23          6. Expand the hearing process in the department to include reviewing  
24 family support program eligibility decisions.

25          7. Provide funding and other resources for technical assistance,  
26 research, education, preservice and in-service training and other staff  
27 development relating to family support services.

28          G. The division may:

29          1. Act as an advocate for families with members with developmental  
30 disabilities.

31          2. Advocate for family support services before the legislature, the  
32 public, the department and the governor.

33          3. Advise the governor, the legislature and all concerned state and  
34 local agencies on issues affecting individuals with developmental  
35 disabilities and their families.

36          4. Direct complaints by consumers of family support services to the  
37 proper agencies for resolution, review actions to resolve these complaints  
38 and take action to enforce a resolution of complaints if necessary.

39          H. The division shall annually evaluate the family support program and  
40 ~~submit a written report to the governor, the speaker of the house of~~  
41 ~~representatives and the president of the senate that contains the following~~  
42 ~~AND COLLECT THE FOLLOWING INFORMATION AND MAKE THAT INFORMATION AVAILABLE TO~~  
43 ~~THE PUBLIC ON REQUEST AND ON THE DEPARTMENT'S WEB SITE:~~



1 1. Information on the impact of the family support program on families  
2 who participate as well as those who do not participate or who participated  
3 before becoming ineligible.

4 2. Sample assessments of families receiving family support services,  
5 including assessments of the adequacy of the services, the consumer  
6 satisfaction with those services and the fiscal and programmatic impact of  
7 adding services not currently available.

8 3. Statistics on the actual number of appeals, the outcome of those  
9 appeals and changes in the program made as a result of the appeals.

10 4. A summary of evaluation reports submitted annually by all  
11 designated regional and local agencies.

12 5. Information on efforts to reach families who may be eligible for  
13 the family support program.

14 6. Information on any individuals discharged from institutions that  
15 can be attributed to the alternative services offered by the family support  
16 program.

17 7. Information on programs to prevent further disability or to  
18 ameliorate the impact of disabilities on families that can be attributed to  
19 the family support program.

20 8. Information on efforts to develop new community based services for  
21 families.

22 9. Recommendations for additional programs and services to further  
23 serve families.

24 10. Steps taken by the family support program to increase coordination  
25 with other agencies.

26 11. Administrative costs associated with the family support program.

27 Sec. 17. Repeal

28 Section 36-2553, Arizona Revised Statutes, is repealed.

29 Sec. 18. Section 36-2902.02, Arizona Revised Statutes, is amended to  
30 read:

31 36-2902.02. Advisory council on Indian health care; duties

32 A. The advisory council on Indian health care shall:

33 1. Hire and employ a director who shall hire and employ staff, subject  
34 to legislative appropriation, for purposes relating to the functions of the  
35 advisory council. The staff shall provide technical assistance to tribal  
36 governments on tribal health care initiatives. The director, on behalf of  
37 the council, shall annually notify the director of the Arizona health care  
38 cost containment system administration of the amount of appropriation  
39 required by the council for the following fiscal year.

40 2. Develop a comprehensive health care delivery and financing system  
41 for American Indians, specific to each Arizona Indian tribe, with a focus on  
42 creating Indian health care demonstration projects pursuant to title XIX of  
43 the social security act. In performing this duty the advisory council shall:

1 (a) Develop a comprehensive health care delivery and financing system,  
2 specific to each Arizona Indian tribe, that uses title XIX funds and builds  
3 on currently available private, state and federal funds.

4 (b) Develop new title XIX demonstration projects, specific to each  
5 Arizona Indian tribe, both on and off reservations in cooperation with this  
6 state and the federal government.

7 (c) Facilitate communications, planning and discussion among tribes,  
8 this state and federal agencies regarding operations, financing, policy and  
9 legislation relating to Indian health care.

10 (d) Recommend and advocate tribal, state and federal policy and  
11 legislation that supports the design and implementation of health care  
12 delivery and financing systems specific to each Arizona Indian tribe.

13 (e) Notwithstanding section 36-2903.01, subsection B, in conjunction  
14 with the administration, request a federal waiver from the United States  
15 department of health and human services that allows tribal governments that  
16 perform eligibility determinations for temporary assistance for needy  
17 families programs to perform the medicaid eligibility determinations for  
18 persons who apply for services pursuant to section 36-2901, paragraph 6,  
19 subdivision (a). If the waiver is approved, the state shall provide the  
20 state matching monies for the administrative costs associated with the  
21 medicaid eligibility based on federal guidelines. As part of the waiver, the  
22 administration shall recoup from a tribal government all federal fiscal  
23 sanctions that result from inaccurate eligibility determinations.

24 (f) Perform other duties as requested by the legislature.

25 ~~B. The advisory council shall submit a report of its findings and~~  
26 ~~recommendations to the governor, the president of the senate and the speaker~~  
27 ~~of the house of representatives on or before November 1 of each year.~~

28 ~~C. B. The director, on notification by the advisory council, shall~~  
29 ~~include the amount of the appropriation request in the administration's~~  
30 ~~annual appropriations request.~~

31 Sec. 19. Section 36-2904, Arizona Revised Statutes, is amended to  
32 read:

33 36-2904. Prepaid capitation coverage; requirements; long-term  
34 care; dispute resolution; award of contracts;  
35 notification

36 A. The administration may expend public funds appropriated for the  
37 purposes of this article and shall execute prepaid capitated health services  
38 contracts, pursuant to section 36-2906, with group disability insurers,  
39 hospital and medical service corporations, health care services organizations  
40 and any other appropriate public or private persons, including county-owned  
41 and operated facilities, for health and medical services to be provided under  
42 contract with contractors. The administration may assign liability for  
43 eligible persons and members through contractual agreements with contractors.  
44 If there is an insufficient number of qualified bids for prepaid capitated

1 health services contracts for the provision of hospitalization and medical  
2 care within a county, the director may:

3 1. Execute discount advance payment contracts, pursuant to section  
4 36-2906 and subject to section 36-2903.01, for hospital services.

5 2. Execute capped fee-for-service contracts for health and medical  
6 services, other than hospital services. Any capped fee-for-service contract  
7 shall provide for reimbursement at a level of not to exceed a capped  
8 fee-for-service schedule adopted by the administration.

9 B. During any period in which services are needed and no contract  
10 exists, the director may do either of the following:

11 1. Pay noncontracting providers for health and medical services, other  
12 than hospital services, on a capped fee-for-service basis for members and  
13 persons who are determined eligible. However, the state shall not pay any  
14 amount for services that exceeds a maximum amount set forth in a capped  
15 fee-for-service schedule adopted by the administration.

16 2. Pay a hospital subject to the reimbursement level limitation  
17 prescribed in section 36-2903.01.

18 If health and medical services are provided in the absence of a contract, the  
19 director shall continue to attempt to procure by the bid process as provided  
20 in section 36-2906 contracts for such services as specified in this  
21 subsection.

22 C. Payments to contractors shall be made monthly or quarterly and may  
23 be subject to contract provisions requiring the retention of a specified  
24 percentage of the payment by the director, a reserve fund or other contract  
25 provisions by which adjustments to the payments are made based on utilization  
26 efficiency, including incentives for maintaining quality care and minimizing  
27 unnecessary inpatient services. Reserve funds withheld from contractors  
28 shall be distributed to contractors who meet performance standards  
29 established by the director. Any reserve fund established pursuant to this  
30 subsection shall be established as a separate account within the Arizona  
31 health care cost containment system fund.

32 D. The administration shall adopt rules for the payment of nominal  
33 copayments by members to the contractors except for services provided in  
34 emergencies. These rules shall provide for the waiver of copayments in  
35 appropriate circumstances for members.

36 E. Except as prescribed in subsection F of this section, a member  
37 defined as eligible pursuant to section 36-2901, paragraph 6, subdivision (a)  
38 may select, to the extent practicable as determined by the administration,  
39 from among the available contractors of hospitalization and medical care and  
40 may select a primary care physician or primary care practitioner from among  
41 the primary care physicians and primary care practitioners participating in  
42 the contract in which the member is enrolled. The administration shall  
43 provide reimbursement only to entities that have a provider agreement with  
44 the administration and that have agreed to the contractual requirements of  
45 that agreement. Except as provided in sections 36-2908 and 36-2909, the

1 system shall only provide reimbursement for any health or medical services  
2 or costs of related services provided by or under referral from the primary  
3 care physician or primary care practitioner participating in the contract in  
4 which the member is enrolled. The director shall establish requirements as  
5 to the minimum time period that a member is assigned to specific contractors  
6 in the system.

7 F. For a member defined as eligible pursuant to section 36-2901,  
8 paragraph 6, subdivision (a), item (v) the director shall enroll the member  
9 with an available contractor located in the geographic area of the member's  
10 residence. The member may select a primary care physician or primary care  
11 practitioner from among the primary care physicians or primary care  
12 practitioners participating in the contract in which the member is enrolled.  
13 The system shall only provide reimbursement for health or medical services  
14 or costs of related services provided by or under referral from a primary  
15 care physician or primary care practitioner participating in the contract in  
16 which the member is enrolled. The director shall establish requirements as  
17 to the minimum time period that a member is assigned to specific contractors  
18 in the system.

19 G. If a person who has been determined eligible but who has not yet  
20 enrolled in the system receives emergency services, the director shall  
21 provide by rule for the enrollment of the person on a priority basis. If a  
22 person requires system covered services on or after the date the person is  
23 determined eligible for the system but before the date of enrollment, the  
24 person is entitled to receive these services in accordance with rules adopted  
25 by the director, and the administration shall pay for the services pursuant  
26 to section 36-2903.01 or, as specified in contract, with the contractor  
27 pursuant to the subcontracted rate or this section.

28 H. The administration shall not pay claims for system covered services  
29 that are initially submitted more than six months after the date of the  
30 service for which payment is claimed or after the date that eligibility is  
31 posted, whichever date is later, or that are submitted as clean claims more  
32 than twelve months after the date of service for which payment is claimed or  
33 after the date that eligibility is posted, whichever date is later, except  
34 for claims submitted for reinsurance pursuant to section 36-2906, subsection  
35 C, paragraph 6. The administration shall not pay claims for system covered  
36 services that are submitted by contractors for reinsurance after the time  
37 period specified in the contract. The director may adopt rules or require  
38 contractual provisions that prescribe requirements and time limits for  
39 submittal of and payment for those claims. Notwithstanding any other  
40 provision of this article, if a claim that gives rise to a contractor's claim  
41 for reinsurance or deferred liability is the subject of an administrative  
42 grievance or appeal proceeding or other legal action, the contractor shall  
43 have at least sixty days after an ultimate decision is rendered to submit a  
44 claim for reinsurance or deferred liability. Contractors that contract with  
45 the administration pursuant to subsection A of this section shall not pay

1 claims for system covered services that are initially submitted more than six  
2 months after the date of the service for which payment is claimed or after  
3 the date that eligibility is posted, whichever date is later, or that are  
4 submitted as clean claims more than twelve months after the date of the  
5 service for which payment is claimed or after the date that eligibility is  
6 posted, whichever date is later. For THE purposes of this subsection:

7 1. "Clean claims" means claims that may be processed without obtaining  
8 additional information from the subcontracted provider of care, from a  
9 noncontracting provider or from a third party but does not include claims  
10 under investigation for fraud or abuse or claims under review for medical  
11 necessity.

12 2. "Date of service" for a hospital inpatient means the date of  
13 discharge of the patient.

14 3. "Submitted" means the date the claim is received by the  
15 administration or the prepaid capitated provider, whichever is applicable,  
16 as established by the date stamp on the face of the document or other record  
17 of receipt.

18 I. In any county having a population of five hundred thousand or fewer  
19 persons, a hospital that executes a subcontract other than a capitation  
20 contract with a contractor for the provision of hospital and medical services  
21 pursuant to this article shall offer a subcontract to any other contractor  
22 providing services to that portion of the county and to any other person that  
23 plans to become a contractor in that portion of the county. If such a  
24 hospital executes a subcontract other than a capitation contract with a  
25 contractor for the provision of hospital and medical services pursuant to  
26 this article, the hospital shall adopt uniform criteria to govern the  
27 reimbursement levels paid by all contractors with whom the hospital executes  
28 such a subcontract. Reimbursement levels offered by hospitals to contractors  
29 pursuant to this subsection may vary among contractors only as a result of  
30 the number of bed days purchased by the contractors, the amount of financial  
31 deposit required by the hospital, if any, or the schedule of performance  
32 discounts offered by the hospital to the contractor for timely payment of  
33 claims.

34 J. This subsection applies to inpatient hospital admissions and to  
35 outpatient hospital services on and after March 1, 1993. The director may  
36 negotiate at any time with a hospital on behalf of a contractor for services  
37 provided pursuant to this article. If a contractor negotiates with a  
38 hospital for services provided pursuant to this article, the following  
39 procedures apply:

40 1. The director shall require any contractor to reimburse hospitals  
41 for services provided under this article based on reimbursement levels that  
42 do not in the aggregate exceed those established pursuant to section  
43 36-2903.01 and under terms on which the contractor and the hospital agree.  
44 However, a hospital and a contractor may agree on a different payment

1 methodology than the methodology prescribed by the director pursuant to  
2 section 36-2903.01. The director by rule shall prescribe:

3 (a) The time limits for any negotiation between the contractor and the  
4 hospital.

5 (b) The ability of the director to review and approve or disapprove  
6 the reimbursement levels and terms agreed on by the contractor and the  
7 hospital.

8 (c) That if a contractor and a hospital do not agree on reimbursement  
9 levels and terms as required by this subsection, the reimbursement levels  
10 established pursuant to section 36-2903.01 apply.

11 (d) That, except if submitted under an electronic claims submission  
12 system, a hospital bill is considered received for purposes of subdivision  
13 (f) of this paragraph on initial receipt of the legible, error-free claim  
14 form by the contractor if the claim includes the following error-free  
15 documentation in legible form:

16 (i) An admission face sheet.

17 (ii) An itemized statement.

18 (iii) An admission history and physical.

19 (iv) A discharge summary or an interim summary if the claim is split.

20 (v) An emergency record, if admission was through the emergency room.

21 (vi) Operative reports, if applicable.

22 (vii) A labor and delivery room report, if applicable.

23 (e) That payment received by a hospital from a contractor is  
24 considered payment by the contractor of the contractor's liability for the  
25 hospital bill. A hospital may collect any unpaid portion of its bill from  
26 other third party payors or in situations covered by title 33, chapter 7,  
27 article 3.

28 (f) That a contractor shall pay for services rendered on and after  
29 October 1, 1997 under any reimbursement level according to paragraph 1 of  
30 this subsection subject to the following:

31 (i) If the hospital's bill is paid within thirty days of the date the  
32 bill was received, the contractor shall pay ninety-nine per cent of the rate.

33 (ii) If the hospital's bill is paid after thirty days but within sixty  
34 days of the date the bill was received, the contractor shall pay one hundred  
35 per cent of the rate.

36 (iii) If the hospital's bill is paid any time after sixty days of the  
37 date the bill was received, the contractor shall pay one hundred per cent of  
38 the rate plus a fee of one per cent per month for each month or portion of  
39 a month following the sixtieth day of receipt of the bill until the date of  
40 payment.

41 2. In any county having a population of five hundred thousand or fewer  
42 persons, a hospital that executes a subcontract other than a capitation  
43 contract with a provider for the provision of hospital and medical services  
44 pursuant to this article shall offer a subcontract to any other provider  
45 providing services to that portion of the county and to any other person that

1 plans to become a provider in that portion of the county. If a hospital  
2 executes a subcontract other than a capitation contract with a provider for  
3 the provision of hospital and medical services pursuant to this article, the  
4 hospital shall adopt uniform criteria to govern the reimbursement levels paid  
5 by all providers with whom the hospital executes a subcontract.

6 K. If there is an insufficient number of, or an inadequate member  
7 capacity in, contracts awarded to contractors, the director, in order to  
8 deliver covered services to members enrolled or expected to be enrolled in  
9 the system within a county, may negotiate and award, without bid, a contract  
10 with a health care services organization holding a certificate of authority  
11 pursuant to title 20, chapter 4, article 9. The director shall require a  
12 health care services organization contracting under this subsection to comply  
13 with section 36-2906.01. The term of the contract shall not extend beyond  
14 the next bid and contract award process as provided in section 36-2906 and  
15 shall be no greater than capitation rates paid to contractors in the same  
16 county or counties pursuant to section 36-2906. Contracts awarded pursuant  
17 to this subsection are exempt from the requirements of title 41, chapter 23.

18 L. A contractor may require that a subcontracting or noncontracting  
19 provider shall be paid for covered services, other than hospital services,  
20 according to the capped fee-for-service schedule adopted by the director  
21 pursuant to subsection A, paragraph 2 of this section or subsection B,  
22 paragraph 1 of this section or at lower rates as may be negotiated by the  
23 contractor.

24 M. The director shall require any contractor to have a plan to notify  
25 members of reproductive age either directly or through the parent or legal  
26 guardian, whichever is most appropriate, of the specific covered family  
27 planning services available to them and a plan to deliver those services to  
28 members who request them. The director shall ensure that these plans include  
29 provisions for written notification, other than the member handbook, and  
30 verbal notification during a member's visit with the member's primary care  
31 physician or primary care practitioner.

32 N. The director shall adopt a plan to notify members of reproductive  
33 age who receive care from a contractor who elects not to provide family  
34 planning services of the specific covered family planning services available  
35 to them and to provide for the delivery of those services to members who  
36 request them. Notification may be directly to the member, or through the  
37 parent or legal guardian, whichever is most appropriate. The director shall  
38 ensure that the plan includes provisions for written notification, other than  
39 the member handbook, and verbal notification during a member's visit with the  
40 member's primary care physician or primary care practitioner.

41 O. The director shall annually prepare a report that represents a  
42 statistically valid sample and that indicates the number of children ages AGE  
43 two and under by contractor who received the immunizations recommended by the  
44 national centers for disease control and prevention while enrolled as  
45 members. The report shall indicate each type of immunization and the number

1 and percentage of enrolled children ages IN THE SAMPLE AGE two and under who  
2 received each type of immunization. The report shall be done by contract  
3 year and shall be delivered to the governor, the president of the senate and  
4 the speaker of the house of representatives no later than April 1, of each  
5 year 2004 AND EVERY SECOND YEAR THEREAFTER.

6 P. If the administration implements an electronic claims submission  
7 system it may adopt procedures pursuant to subsection J, paragraph 1 of this  
8 section requiring documentation different than prescribed under subsection  
9 J, paragraph 1, subdivision (d) of this section.

10 Sec. 20. Section 36-2983, Arizona Revised Statutes, is amended to  
11 read:

12 36-2983. Eligibility for the program

13 A. The administration shall establish a streamlined eligibility  
14 process for applicants to the program and shall issue a certificate of  
15 eligibility at the time eligibility for the program is determined.  
16 Eligibility shall be based on gross household income for a member as defined  
17 in section 36-2981 and for parents of children enrolled in the children's  
18 health insurance program pursuant to section 36-2981.01. Eligibility for a  
19 parent who has a child enrolled in article 1 of this chapter but who is  
20 eligible pursuant to section 36-2981.01 shall be based on requirements  
21 established by the administration. The administration shall not apply a  
22 resource test in the eligibility determination or redetermination process.

23 B. The administration shall use a simplified eligibility form that may  
24 be mailed to the administration. Once a completed application is received,  
25 including adequate verification of income, the administration shall expedite  
26 the eligibility determination and enrollment on a prospective basis.

27 C. The date of eligibility is the first day of the month following a  
28 determination of eligibility if the decision is made by the twenty-fifth day  
29 of the month. A person who is determined eligible for the program after the  
30 twenty-fifth day of the month is eligible for the program the first day of  
31 the second month following the determination of eligibility.

32 D. An applicant for the program who appears to be eligible pursuant  
33 to section 36-2901, paragraph 6, subdivision (a) shall have a social security  
34 number or shall apply for a social security number within thirty days after  
35 the applicant submits an application for the program.

36 E. In order to be eligible for the program, a person shall be a  
37 resident of this state and shall meet title XIX requirements for United  
38 States citizenship or qualified alien status in the manner prescribed in  
39 section 36-2903.03.

40 F. In determining the eligibility for all qualified aliens pursuant  
41 to this article, the income and resources of a person who executed an  
42 affidavit of support pursuant to section 213A of the immigration and  
43 nationality act on behalf of the qualified alien and the income and resources  
44 of the spouse, if any, of the sponsoring individual shall be counted at the



1 time of application and for the redetermination of eligibility for the  
2 duration of the attribution period as specified in federal law.

3 G. Pursuant to federal law, a person is not eligible for the program  
4 if that person is:

5 1. Eligible for title XIX, except for a person who is eligible  
6 pursuant to section 36-2981.01, or other federally operated or financed  
7 health care insurance programs, except the Indian health service.

8 2. Covered by any group health plan or other health insurance coverage  
9 as defined in section 2791 of the public health service act. Group health  
10 plan or other health insurance coverage does not include coverage to persons  
11 who are defined as eligible pursuant to the premium sharing program.

12 3. A member of a family that is eligible for health benefits coverage  
13 under a state health benefit plan based on a family member's employment with  
14 a public agency in this state.

15 4. An inmate of a public institution or a patient in an institution  
16 for mental diseases. This paragraph does not apply to services furnished in  
17 a state operated mental hospital or to residential or other twenty-four hour  
18 therapeutically planned structured services.

19 H. A child who is covered under an employer's group health insurance  
20 plan or through family or individual health care coverage shall not be  
21 enrolled in the program. If the health insurance coverage is voluntarily  
22 discontinued for any reason, except for the loss of health insurance due to  
23 loss of employment or other involuntary reason, the child is not eligible for  
24 the program for a period of three months from the date that the health care  
25 coverage was discontinued. The administration may waive the three month  
26 period for any child who is seriously or chronically ill. For the purposes  
27 of the waiver, "chronically ill" means a medical condition that requires  
28 frequent and ongoing treatment and that if not properly treated will  
29 seriously affect the child's overall health. The administration shall  
30 establish rules to further define conditions that constitute a serious or  
31 chronic illness. ~~Beginning on January 1, 2002, in the annual report required~~  
32 ~~pursuant to section 36-2996, the administration shall provide the conditions~~  
33 ~~and the number of children included in each category.~~

34 I. Pursuant to federal law, a private insurer, as defined by the  
35 secretary of the United States department of health and human services, shall  
36 not limit enrollment by contract or any other means based on the presumption  
37 that a child may be eligible for the program.

38 Sec. 21. Repeal

39 Section 36-2996, Arizona Revised Statutes, is repealed.

40 Sec. 22. Section 36-3415, Arizona Revised Statutes, is amended to  
41 read:

42 36-3415. Suicide prevention program; program termination

43 A. The suicide prevention program is established in the division  
44 pursuant to rules adopted by the division. The deputy director shall  
45 administer the program and shall provide staff for the program.

1 B. The program DEPUTY DIRECTOR shall:

2 1. Coordinate suicide prevention and awareness activities and programs  
3 in the department and with other state and local agencies.

4 2. Apply for available federal funding for programs related to suicide  
5 prevention.

6 3. Develop and implement a statewide suicide prevention and awareness  
7 plan to reduce the number of attempted suicides and deaths from suicide.

8 ~~4. Submit a report of its activities, findings and recommendations to~~  
9 ~~the governor, the speaker of the house of representatives and the president~~  
10 ~~of the senate on or before November 15 of each year. The division shall~~  
11 ~~provide a copy of each report to the secretary of state and the director of~~  
12 ~~the Arizona state library, archives and public records. The report shall~~  
13 ~~include a review of the literature on the causes of suicide with a focus on~~  
14 ~~the potential connection between suicide and the use of psychotropic~~  
15 ~~medications and the efficacy of preventive therapy. The report shall also~~  
16 ~~include a review of current national and local research on data collection~~  
17 ~~for factors associated with suicide as well as recommendations on improving~~  
18 ~~suicide data collection.~~

19 C. The program established by this section ends on July 1, 2011  
20 pursuant to section 41-3102.

21 Sec. 23. Section 37-620.21, Arizona Revised Statutes, is amended to  
22 read:

23 37-620.21. Holistic resource management program

24 A. The state land commissioner may coordinate the development of a  
25 process of using holistic resource management planning methods to incorporate  
26 the critical habitat requirements of plant and animal species with the  
27 resource use requirements of this state. If developed, this planning process  
28 shall be used as a model for developing specific area plans and developing  
29 conservation agreements with the United States fish and wildlife service to  
30 alleviate the need for critical habitat designations in this state. In  
31 developing the planning process the commissioner may consult with:

- 32 1. Holistic resource management practitioners and experts.  
33 2. Federal and state land and wildlife management agencies.  
34 3. Natural resources commodity groups.

35 B. The commissioner may test the holistic resource management planning  
36 process developed under subsection A by developing a plan for at least two  
37 areas that are currently proposed as critical habitat for one or more species  
38 of concern. The commissioner may develop the plan in conjunction with:

- 39 1. Affected land owning and land management entities.  
40 2. Lessees or permittees of land in the planning area.  
41 3. Known land use groups in the planning area.  
42 4. Natural resource conservation districts.  
43 5. Environmental organizations that are incorporated under the laws  
44 of this state or that are qualified under section 501(c)(3) of the United  
45 States internal revenue code for federal income tax purposes.

1 C. If a test plan is developed, the commissioner and entities that are  
2 identified under subsection B shall select planning areas based on at least  
3 the following factors:

4 1. The planning area must be large enough in size to represent a  
5 management unit for purposes of logging, grazing, mining or other land use  
6 activities.

7 2. The planning area must contain proposed or designated critical  
8 habitat of the species of concern.

9 D. The state land department is the central repository for all  
10 holistic resource management plans that are developed pursuant to this  
11 section.

12 ~~E. If a holistic resource management program is developed pursuant to~~  
13 ~~this section, on or before January 31 of each year the commissioner shall~~  
14 ~~report to the governor, speaker of the house of representatives and president~~  
15 ~~of the senate on the status of:~~

16 ~~1. The plans that are developed pursuant to this section.~~

17 ~~2. Conservation agreements with the United States fish and wildlife~~  
18 ~~service.~~

19 Sec. 24. Section 40-464, Arizona Revised Statutes, is amended to read:  
20 40-464. Powers and duties

21 A. The director may:

22 1. Research, study and analyze residential utility consumer interests.

23 2. Prepare and present briefs, arguments, proposed rates or orders and  
24 intervene or appear on behalf of residential utility consumers before hearing  
25 officers and the corporation commission as a party in interest and also  
26 participate as a party in interest pursuant to sections 40-254 and 40-254.01  
27 in proceedings relating to rate making or rate design and involving public  
28 service corporations, except that the director shall not participate in any  
29 proceedings pursuant to this paragraph involving a member-owned nonprofit  
30 cooperative corporation.

31 3. Make and execute contracts and other instruments as necessary to  
32 perform his duties.

33 4. Hire employees as necessary to carry out this article and contract  
34 for special services as needed.

35 5. Employ such attorneys as are required to represent the interests  
36 of residential utility consumers.

37 B. The director shall:

38 ~~1. adopt administrative rules necessary to carry out the purposes of~~  
39 ~~this article.~~

40 ~~2. Submit a report to the governor, speaker of the house of~~  
41 ~~representatives and president of the senate by November 1 each year~~  
42 ~~describing the activities and accomplishments of the office.~~

43 C. All contacts by residential utility consumers with regard to  
44 quality or quantity of service provided by a public service corporation shall  
45 be recorded by the office for the purpose of determining general concerns of

1 consumers. The office may advise the consumer of other agencies that may be  
2 of further assistance and shall refer the consumer to the corporation  
3 commission utilities division consumer services section established in  
4 section 40-110.

5 Sec. 25. Section 41-821, Arizona Revised Statutes, is amended to read:

6 41-821. Arizona historical society; powers; officers; duties of  
7 board of directors

8 A. An Arizona historical society is established.

9 B. Subject to limitations imposed by law, the society may purchase,  
10 receive, hold, lease and sell property, real and personal, for the benefit  
11 of the state and use of the society.

12 C. The society shall have a president, a treasurer, a board of  
13 directors and other officers, who shall be elected by the members of the  
14 society at times and by methods the bylaws of the society prescribe. The  
15 board of directors may designate from among its members an executive  
16 committee with authority to act in place of the board of directors and in  
17 accordance with directions the board of directors may give when the board of  
18 directors is not in session.

19 D. The president shall preside at meetings of the society and of the  
20 board of directors.

21 E. The treasurer shall have custody of the monies of the society,  
22 other than legislative appropriations. The treasurer shall hold the monies  
23 of the society deposited in trust for the society's use and for the benefit  
24 of the state and shall disburse them only as prescribed by law and the bylaws  
25 of the society. The treasurer shall submit to the joint legislative budget  
26 committee a written report detailing all expenditures of nonappropriated  
27 funds for the society at the beginning of each quarter.

28 F. The board of directors shall hold in trust for the state and  
29 administer for the benefit of the state and use of the society all property  
30 acquired by the society.

31 G. All expenditures of legislative appropriations to the society shall  
32 be made on claims duly itemized, verified and approved by the executive  
33 director. The executive director shall present and file claims for payment  
34 with the director of the department of administration. The director of the  
35 department of administration shall draw the warrant on the state treasurer.

36 H. The board of directors shall annually designate one or more  
37 historical organizations within each county of the state ~~which shall be THAT~~  
38 ~~ARE~~ incorporated as nonprofit organizations and which ~~THAT~~ are deemed to have  
39 a functioning program of historical value based on criteria established by  
40 the board of directors. ~~The names of such historical organizations shall be~~  
41 ~~certified to the president of the senate and the speaker of the house of~~  
42 ~~representatives no later than ten days after the beginning of each regular~~  
43 ~~session of the legislature.~~ The board of directors shall report annually to  
44 the committee of reference as defined by section 41-2952. The board of  
45 directors may organize chapters made up of groups of its members who have a

1 common interest in a geographical area of the state or a common interest in  
2 a field of history, may provide for the governance of these chapters and may  
3 grant to any chapter the power to exercise authority of the society as the  
4 board of directors may determine.

5 I. The board of directors may, subject to legislative appropriation,  
6 contract with certified historical organizations for services to be performed  
7 for the benefit of this state. The contracts shall be prepared by the  
8 Arizona historical society. The board of directors shall annually review the  
9 contracts to insure fulfillment of their provisions.

10 J. The board of directors may employ an executive director and may  
11 employ or authorize the employment of other employees it considers  
12 appropriate to carry out the functions of the society. The executive  
13 director and all other employees shall have duties and exercise authority as  
14 may be prescribed by the board of directors or by the executive director  
15 acting under the direction of the board of directors.

16 Sec. 26. Section 41-1028, Arizona Revised Statutes, is amended to  
17 read:

18 41-1028. Incorporation by reference

19 A. An agency may incorporate by reference in its rules, and without  
20 publishing the incorporated matter in full, all or any part of a code,  
21 standard, rule or regulation of an agency of the United States or of this  
22 state or a nationally recognized organization or association, if  
23 incorporation of its text in agency rules would be unduly cumbersome,  
24 expensive or otherwise inexpedient.

25 B. The reference in the agency rules shall fully identify the  
26 incorporated matter by location, date and otherwise and shall state that the  
27 rule does not include any later amendments or editions of the incorporated  
28 matter.

29 C. An agency may incorporate by reference such matter in its rules  
30 only if the agency, organization or association originally issuing that  
31 matter makes copies of it readily available to the public for inspection and  
32 reproduction.

33 D. The rules shall state where copies of the incorporated matter are  
34 available from the agency issuing the rule and from the agency of the United  
35 States or this state or the organization or association originally issuing  
36 the matter.

37 ~~E. The agency shall file a copy of the incorporated matter with the~~  
38 ~~secretary of state at the time the final rule, the summary rule or the~~  
39 ~~emergency rule is filed.~~

40 ~~F. E.~~ E. An agency may incorporate later amendments or editions of the  
41 incorporated matter only after compliance with the rule making requirements  
42 of this chapter.

1       Sec. 27. Section 41-1051, Arizona Revised Statutes, is amended to  
2 read:

3       41-1051. Governor's regulatory review council; membership;  
4       terms; compensation; powers

5       A. A governor's regulatory review council is established which THAT  
6 consists of six members who are appointed by the governor and who serve at  
7 the pleasure of the governor, and the director of the department of  
8 administration or the assistant director of the department of administration  
9 who is responsible for administering the council. The director or assistant  
10 director is an ex officio member and chairperson of the council. The council  
11 shall elect a vice-chairperson to serve as chairperson in the chairperson's  
12 absence. The governor shall appoint at least one member who represents the  
13 public interest, at least one member who represents the business community,  
14 one member from a list of three persons who are not legislators submitted by  
15 the president of the senate and one member from a list of three persons who  
16 are not legislators submitted by the speaker of the house of representatives.  
17 At least one member of the council shall be an attorney licensed to practice  
18 law in this state. The governor shall appoint the members of the council for  
19 staggered terms of three years. A vacancy occurring during the term of  
20 office of any member shall be filled by appointment by the governor for the  
21 unexpired portion of the term in the same manner as provided in this section.

22       B. The council shall meet at least once a month at a time and place  
23 set by the chairperson and at other times and places as the chairperson deems  
24 necessary.

25       C. Members of the council are eligible to receive compensation in an  
26 amount of two hundred dollars for each day on which the council meets and  
27 reimbursement of expenses pursuant to title 38, chapter 4, article 2.

28       D. The chairperson, subject to chapter 4, articles 5 and 6 of this  
29 title, shall employ, determine the conditions of employment and specify the  
30 duties of administrative, secretarial and clerical employees as the  
31 chairperson deems necessary.

32       E. The council may make rules pursuant to this chapter to carry out  
33 the purposes of this chapter.

34       F. ~~The council shall submit an annual report of its activities and~~  
35 ~~findings to the governor and all members of the legislature by July 31. The~~  
36 ~~annual report shall include~~ MAKE THE FOLLOWING INFORMATION AVAILABLE TO THE  
37 PUBLIC ON REQUEST AND ON THE COUNCIL'S WEB SITE:

38       1. A list of agency rules approved or returned pursuant to section  
39 41-1052.

40       2. A list of agencies not certifying compliance as provided in section  
41 41-1091.

42       3. A list of agencies that report a lack of progress pursuant to  
43 section 41-1056, subsection H.

44       Sec. 28. Repeal

45       Section 41-1960.02, Arizona Revised Statutes, is repealed.

1       Sec. 29. Section 41-1966.01, Arizona Revised Statutes, is amended to  
2 read:

3       41-1966.01. Summer youth program; allocation

4       A. The summer youth program is established to be funded by monies  
5 appropriated from the state general fund. Monies for the program:

6       1. Shall be used for purposes of summer youth programs including  
7 employment, education and gang prevention programs for youths who are from  
8 economically disadvantaged areas and who are at least twelve but not more  
9 than eighteen years of age.

10       2. Shall be allocated as follows:

11       (a) Fifty per cent of the monies shall be distributed within counties  
12 with a population of one million persons or more.

13       (b) Thirty per cent of the monies shall be distributed within counties  
14 with a population of five hundred thousand or more but less than one million  
15 persons.

16       (c) Twenty per cent of the monies shall be distributed within counties  
17 with a population of less than five hundred thousand persons.

18       3. Are exempt from the provisions of section 35-190 relating to  
19 lapsing of appropriations.

20       B. For THE purposes of subsection A of this section, population shall  
21 be determined according to the most recent United States decennial census.

22       ~~C. On or before January 1 of each year the department shall submit a~~  
23 ~~report to the governor and the legislature pursuant to section 41-1178~~  
24 ~~providing detailed information on the expenditure or planned expenditure of~~  
25 ~~summer youth program monies under this section and the results or anticipated~~  
26 ~~results of the expenditures to assist youth through employment, education and~~  
27 ~~gang prevention programs.~~

28       Sec. 30. Section 41-2021, Arizona Revised Statutes, is amended to  
29 read:

30       41-2021. Homeless trust fund; purpose

31       A. The homeless trust fund is established and shall be administered  
32 by the department. The fund shall consist of monies from unclaimed property  
33 deposited in the fund pursuant to section 44-313, monies deposited in the  
34 fund pursuant to section 6-842, donations and investment earnings. On notice  
35 from the department, the state treasurer shall invest and divest monies in  
36 the homeless trust fund as provided by section 35-313, and monies earned from  
37 investment shall be credited to the fund.

38       B. Expenditures from the homeless trust fund for homeless shelter and  
39 supportive services are limited to not more than two hundred thousand dollars  
40 of the proceeds received during the first twelve months in which the fund is  
41 established. Expenditures for homeless shelter and supportive services in  
42 each year thereafter are limited to the interest earned in the fund. All  
43 expenditures made from interest earned on unclaimed property deposits and  
44 public donations in the fund shall be matched by the recipient of trust fund

1 monies in an amount equal to at least twenty-five per cent of the total  
2 approved expenditure.

3 C. Homeless trust fund monies shall be spent on approval of the  
4 department for homeless shelter and supportive services as provided by  
5 guidelines established pursuant to section 41-2022.

6 D. In approving the expenditure of monies, the director shall give  
7 priority to projects which THAT provide assistance to families that have  
8 children.

9 ~~E. The director shall report annually to the governor and the~~  
10 ~~legislature on the status of the homeless trust fund. The report shall~~  
11 ~~include a summary of the number of homeless assisted per county for which~~  
12 ~~funding was provided during the previous fiscal year, showing the funding~~  
13 ~~provided to each project. The report shall be submitted to the governor, the~~  
14 ~~president of the senate and the speaker of the house of representatives no~~  
15 ~~later than September 1 of each year.~~

16 ~~F. E. Monies in the homeless trust fund are exempt from the~~  
17 ~~provisions of section 35-190 relating to lapsing of appropriations.~~

18 Sec. 31. Section 41-3202, Arizona Revised Statutes, is amended to  
19 read:

20 41-3202. Advisory council on spinal and head injuries; duties

21 A. The advisory council on spinal and head injuries shall:

22 1. Advise appropriate state agencies, the governor and the legislature  
23 on matters and issues relating to spinal and head injuries and  
24 rehabilitation.

25 2. Review and make recommendations, plans and strategies for meeting  
26 the needs of persons with spinal or head injuries on a statewide basis.

27 3. In cooperation with all related organizations, conduct a  
28 comprehensive program of professional and public education to heighten  
29 awareness of the capabilities, potential and needs of persons with spinal or  
30 head injuries.

31 4. Serve as a repository of information on spinal or head injuries,  
32 referral procedures and demographics of the injury.

33 5. Monitor programs and services for persons with spinal or head  
34 injuries to encourage efficient and coordinated use of resources in providing  
35 services.

36 6. Develop plans for the expenditure of the spinal and head injuries  
37 trust fund in accordance with guidelines established in section 41-3203.

38 B. The council shall MAY submit a report to the governor, the speaker  
39 of the house of representatives and the president of the senate on or before  
40 November 15 of each year. The report shall include council recommendations  
41 regarding the problems of spinal and head injuries. These recommendations  
42 shall be represented by a majority vote of a quorum of members present in a  
43 formal meeting. Minority opinions may be submitted in writing to the  
44 governor, the speaker of the house of representatives and the president of  
45 the senate through the chairman of the council.



1 C. In developing its recommendations, the council shall encourage  
2 broad participation by organizations and individuals interested in spinal or  
3 head injuries and rehabilitation.

4 Sec. 32. Section 42-5016, Arizona Revised Statutes, is amended to  
5 read:

6 42-5016. Credit for telecommunications service revenue  
7 reductions

8 A. A credit is allowed against the taxes imposed by this article and  
9 other affiliated excise taxes for taxpayers in the business of selling and  
10 delivering telecommunications services to residential customers in an amount  
11 equal to the dollar amount of payments for telecommunications services not  
12 received by the taxpayer which THAT are directly attributable to the rate of  
13 assistance provided under title 46, chapter 6, article 1.

14 B. The taxpayer shall claim the credit for each tax period in such  
15 manner as prescribed by the department, which THAT may be incorporated in the  
16 return form prescribed by section 42-5014. A claim for credit is not allowed  
17 if the taxpayer fails to pay the tax due before the payment becomes  
18 delinquent. If the taxpayer subsequently disallows or recovers any amount  
19 claimed as rate assistance under title 46, chapter 6, article 1 and received  
20 as a credit under this section in a previous tax period, that amount shall  
21 be subtracted from the credit allowed under this section for the next tax  
22 period following the disallowance or recovery.

23 ~~C. The department shall determine the total amount of credit claimed~~  
24 ~~under this section in each fiscal year and shall report the amount to the~~  
25 ~~president of the senate, the speaker of the house of representatives and the~~  
26 ~~director of the department of economic security. The amount determined by~~  
27 ~~the department under this subsection SECTION is presumed to be revenues for~~  
28 ~~the purpose of determining the total amount to be applied against the~~  
29 ~~appropriation limitation prescribed under article IX, section 17,~~  
30 ~~Constitution of Arizona.~~

31 Sec. 33. Section 44-1306, Arizona Revised Statutes, is amended to  
32 read:

33 44-1306. Department of environmental quality; rules; annual  
34 report

35 A. The department of environmental quality shall adopt and enforce  
36 rules to carry out the provisions of this article.

37 ~~B. The department of environmental quality shall provide an annual~~  
38 ~~report to the legislature on the waste tire program under this article which~~  
39 ~~may be incorporated in the department's annual report under section 49-104.~~

40 ~~C.~~ B. Each county shall report by September 30 of each year to the  
41 department of environmental quality the following for the preceding fiscal  
42 year and provide a summary for each waste tire collection site:

43 1. The number of eligible waste tires collected each month at each  
44 collection site with a list of registered tire dealers delivering the tires  
45 to each collection site and the number of tires from each dealer.

1           2. The number of tires collected each month at each collection site  
2 from sources other than registered tire dealers.

3           3. The number of tires transported out of each collection site.

4           4. The estimated number of tires remaining at each collection site at  
5 the end of the preceding fiscal year.

6           5. Summaries of all manifests tracking the incoming and outgoing waste  
7 tires at each collection site.

8           6. The amount of monies received and expended pursuant to the waste  
9 tire program.

10          Sec. 34. Section 46-134, Arizona Revised Statutes, is amended to read:  
11          46-134. Powers and duties; expenditure; limitation

12          A. The state department shall:

13           1. Administer all forms of public relief and assistance except those  
14 which THAT by law are administered by other departments, agencies or boards.

15           2. Administer child welfare activities, including:

16           (a) Importation of children.

17           (b) Licensing and supervising private and local public child caring  
18 agencies and institutions.

19           (c) Providing the cost of care of:

20           (i) Children who are in temporary custody, are the subject of a  
21 dependency petition or are adjudicated by the court as dependent and who are  
22 in out-of-home placement, except state institutions.

23           (ii) Children who are voluntarily placed in out-of-home placement  
24 pursuant to section 8-806.

25           (iii) Children who are the subject of a dependency petition or are  
26 adjudicated dependent and who are in the custody of the department and  
27 ordered by the court pursuant to section 8-845 to reside in an independent  
28 living program pursuant to section 8-521.

29           (d) Providing services for children placed in adoption.

30           (e) Providing the cost of care of unwed mothers who are under the age  
31 of eighteen years during the period of their pregnancy and confinement in  
32 foster family homes or institutions and when determined by the department to  
33 be economically eligible. Costs of hospitalization and medical expenses  
34 attendant to the care of the mother and child shall be excluded from any  
35 payments made under this subdivision.

36          3. For the purposes of paragraph 2, subdivision (c), develop and  
37 implement in conjunction with the department of education and the department  
38 of juvenile corrections a uniform budget format to be submitted by licensed  
39 child welfare agencies and approved private special education schools. The  
40 budget format shall be developed in such a manner that, at a minimum,  
41 residential and educational instructional costs are separate and distinct  
42 budgetary items.

43          4. Develop a section of rehabilitation for the visually impaired which  
44 THAT shall include a sight conservation section, a vocational rehabilitation  
45 section in accordance with the federal vocational rehabilitation act, a

1 vending stand section in accordance with the federal Randolph-Sheppard act  
2 and an adjustment service section which THAT shall include rehabilitation  
3 teaching and other social services deemed necessary, and shall cooperate with  
4 similar agencies already established. The administrative officer and staff  
5 of the section for the blind and visually impaired shall be employed only in  
6 the work of that section.

7 5. Assist other departments, agencies and institutions of the state  
8 and federal governments, when requested, by performing services in conformity  
9 with the purposes of this title.

10 6. Act as agent of the federal government in furtherance of any  
11 functions of the state department.

12 7. Carry on research and compile statistics relating to the entire  
13 public welfare program throughout this state, including all phases of  
14 dependency and defectiveness.

15 8. Cooperate with the superior court in cases of delinquency and  
16 related problems.

17 9. Develop plans in cooperation with other public and private agencies  
18 for the prevention and treatment of conditions giving rise to public welfare  
19 and social security problems.

20 10. Make necessary expenditures in connection with the duties specified  
21 in paragraphs 7, 8, 9, 15, 16 and 17.

22 11. Have the power to apply for, accept, receive and expend public and  
23 private gifts or grants of money or property upon ~~such~~ ON THE terms and  
24 conditions as may be imposed by the donor and for any purpose provided for  
25 by this chapter.

26 12. Make rules, and take action necessary or desirable to carry out the  
27 provisions of this title, which THAT are not inconsistent with this title.

28 13. Administer any additional welfare functions required by law.

29 14. Provide the cost of care and transitional independent living  
30 services for a person under twenty-one years of age pursuant to section  
31 8-521.01.

32 15. Petition, as necessary to implement the case plan established under  
33 section 8-824 or 8-845, for the appointment of a guardian or a temporary  
34 guardian under title 14, chapter 5 for children who are in custody of the  
35 department pursuant to court order. Persons applying to be guardians or  
36 temporary guardians under this section shall be fingerprinted. A foster  
37 parent or certified adoptive parent already fingerprinted is not required to  
38 be fingerprinted again if he is the person applying to be the guardian or  
39 temporary guardian.

40 16. If a tribal government elects to operate a cash assistance program  
41 in compliance with the requirements of the United States department of health  
42 and human services, with the review of the joint legislative budget  
43 committee, provide matching monies at a rate that is consistent with the  
44 applicable fiscal year budget and that is not more than the state matching

1 rate for the aid to families with dependent children program as it existed  
2 on July 1, 1994.

3 17. Furnish a federal, state or local law enforcement officer, at the  
4 request of the officer, with the current address of any recipient if the  
5 officer furnishes the agency with the name of the recipient and notifies the  
6 agency that the recipient is a fugitive felon or a probation, parole or  
7 community supervision violator or has information that is necessary for the  
8 officer to conduct the official duties of the officer and the location or  
9 apprehension of the recipient is within these official duties.

10 18. In conjunction with Indian tribal governments, request a federal  
11 waiver from the United States department of agriculture that will allow  
12 tribal governments that perform eligibility determinations for temporary  
13 assistance for needy families programs to perform the food stamp eligibility  
14 determinations for persons who apply for services pursuant to section  
15 36-2901, paragraph 6, subdivision (a). If the waiver is approved, the state  
16 shall provide the state matching monies for the administrative costs  
17 associated with the food stamp eligibility based on federal guidelines. As  
18 part of the waiver, the department shall recoup from a tribal government all  
19 federal fiscal sanctions that result from inaccurate eligibility  
20 determinations.

21 B. The total amount of state monies that may be spent in any fiscal  
22 year by the state department for foster care as provided in subsection A,  
23 paragraph 2, subdivision (c) of this section shall not exceed the amount  
24 appropriated or authorized by section 35-173 for that purpose.. This section  
25 shall not be construed to impose a duty on an officer, agent or employee of  
26 this state to discharge a responsibility or to create any right in a person  
27 or group if the discharge or right would require an expenditure of state  
28 monies in excess of the expenditure authorized by legislative appropriation  
29 for that specific purpose.

30 ~~C. Beginning on January 1, 2001, the department shall complete a~~  
31 ~~written report on the distribution of the federal monies received pursuant~~  
32 ~~to section 8-521.01. The joint legislative budget committee shall determine~~  
33 ~~the data to be collected regarding how the monies will be spent and have been~~  
34 ~~spent. The department shall submit this report annually to the governor, the~~  
35 ~~president of the senate, the speaker of the house of representatives, the~~  
36 ~~joint legislative budget committee and the joint legislative committee on~~  
37 ~~children and family services and shall provide a copy of this report to the~~  
38 ~~secretary of state and the director of the Arizona state library, archives~~  
39 ~~and public records.~~

40 Sec. 35. Section 46-139, Arizona Revised Statutes, is amended to read:

41 46-139. Housing assistance

42 A. Notwithstanding any other provision in this title, the department  
43 may provide special housing assistance in the form of vendor payments to  
44 achieve permanency for children who are involved in open child protective  
45 services cases. The child's family may qualify for this special housing

1 assistance only if the lack of adequate housing is a significant barrier  
2 preventing the child from being reunited with or being able to remain with  
3 the child's family or other caretakers who will provide permanency for the  
4 child. The amount of housing assistance provided by the department for each  
5 family for an incident shall not exceed one thousand eight hundred dollars  
6 during a six month period. The housing assistance may only be used for rent,  
7 utilities, deposits and arrears. The department may provide housing  
8 assistance only if other resources are unavailable.

9 B. The case plan for the child and family shall contain a reference  
10 to the lack of adequate housing.

11 C. The case notes shall reflect barriers that the family faces in  
12 obtaining adequate housing, a specific, time oriented plan for phasing out  
13 the need of the family for continued housing assistance, the actions that are  
14 being taken by the family for economic self-sufficiency and a complete  
15 financial picture of the family at the time of application to the program,  
16 including housing related expenses and income, including entitlements.

17 D. For the period a family is receiving housing assistance, the  
18 department shall provide case management services which THAT include  
19 monitoring the financial situation of the family.

20 E. The department shall ~~prepare an annual report regarding the housing~~  
21 ~~assistance program. This report shall include~~ MAKE THE FOLLOWING INFORMATION  
22 REGARDING THE HOUSING ASSISTANCE PROGRAM AVAILABLE TO THE PUBLIC ON REQUEST  
23 AND ON THE DEPARTMENT'S WEB SITE:

24 1. The number of children and families, by district, receiving  
25 services through this program during the previous fiscal year.

26 2. The total amount of monies spent on the program by district.

27 3. A programmatic and fiscal evaluation of the effectiveness of this  
28 program which includes the amount of monies saved by reducing foster care  
29 expenditures.

30 F. The department may adopt rules to carry out this section.

31 Sec. 36. Section 46-300.06, Arizona Revised Statutes, is amended to  
32 read:

33 46-300.06. Food bank assistance for welfare to work and low  
34 income families program

35 A. The department shall develop and implement a statewide program to  
36 provide food assistance through food banks for welfare to work and low income  
37 families with priority consideration for temporary assistance for needy  
38 families cash assistance recipients. The department shall establish  
39 guidelines regarding the distribution of monies and food bank services after  
40 consulting with food banks in the state.

41 ~~B. The department shall submit an annual report to the president of~~  
42 ~~the senate, the speaker of the house of representatives, the governor and the~~  
43 ~~joint legislative committee on hunger detailing the amount of food bank~~  
44 ~~assistance and the number of persons receiving assistance given for Arizona~~  
45 ~~works recipients, empower welfare recipients and low income families.~~

1       ~~C. For the purposes of this section, "food bank assistance" means~~  
2 ~~acquiring, storing, handling and distributing food products to families or~~  
3 ~~organizations serving families on welfare to work and low incomes.~~

4       Sec. 37. Section 49-104, Arizona Revised Statutes, is amended to read:

5       49-104. Powers and duties of the department and director

6       A. The department shall:

7       1. Formulate policies, plans and programs to implement this title to  
8 protect the environment.

9       2. Stimulate and encourage all local, state, regional and federal  
10 governmental agencies and all private persons and enterprises that have  
11 similar and related objectives and purposes, cooperate with those agencies,  
12 persons and enterprises and correlate department plans, programs and  
13 operations with those of the agencies, persons and enterprises.

14       3. Conduct research on its own initiative or at the request of the  
15 governor, the legislature or state or local agencies pertaining to any  
16 department objectives.

17       4. Provide information and advice on request of any local, state or  
18 federal agencies and private persons and business enterprises on matters  
19 within the scope of the department.

20       5. Consult with and make recommendations to the governor and the  
21 legislature on all matters concerning department objectives.

22       ~~6. Make annual reports to the governor and the legislature on its~~  
23 ~~activities, its finances and the scope of its operations.~~

24       ~~7.~~ 6. Promote and coordinate the management of air resources to  
25 assure their protection, enhancement and balanced utilization consistent with  
26 the environmental policy of this state.

27       ~~8.~~ 7. Promote and coordinate the protection and enhancement of the  
28 quality of water resources consistent with the environmental policy of this  
29 state.

30       ~~9.~~ 8. Encourage industrial, commercial, residential and community  
31 development that maximizes environmental benefits and minimizes the effects  
32 of less desirable environmental conditions.

33       ~~10.~~ 9. Assure the preservation and enhancement of natural beauty and  
34 man-made scenic qualities.

35       ~~11.~~ 10. Provide for the prevention and abatement of all water and air  
36 pollution including that related to particulates, gases, dust, vapors, noise,  
37 radiation, odor, nutrients and heated liquids in accordance with article 3  
38 of this chapter and chapters 2 and 3 of this title.

39       ~~12.~~ 11. Promote and recommend methods for the recovery, recycling and  
40 reuse or, if recycling is not possible, the disposal of solid wastes  
41 consistent with sound health, scenic and environmental quality policies.

42       ~~13.~~ 12. Prevent pollution through the regulation of the storage,  
43 handling and transportation of solids, liquids and gases that may cause or  
44 contribute to pollution.

1       ~~14.~~ 13. Promote the restoration and reclamation of degraded or  
2 despoiled areas and natural resources.

3       ~~15.~~ 14. Assist the department of health services in recruiting and  
4 training state, local and district health department personnel.

5       ~~16.~~ 15. Participate in the state civil defense program and develop the  
6 necessary organization and facilities to meet wartime or other disasters.

7       ~~17.~~ 16. Cooperate with the Arizona-Mexico commission in the governor's  
8 office and with researchers at universities in this state to collect data and  
9 conduct projects in the United States and Mexico on issues that are within  
10 the scope of the department's duties and that relate to quality of life,  
11 trade and economic development in this state in a manner that will help the  
12 Arizona-Mexico commission to assess and enhance the economic competitiveness  
13 of this state and of the Arizona-Mexico region.

14       B. The department, through the director, shall:

15       1. Contract for the services of outside advisers, consultants and  
16 aides reasonably necessary or desirable to enable the department to  
17 adequately perform its duties.

18       2. Contract and incur obligations reasonably necessary or desirable  
19 within the general scope of department activities and operations to enable  
20 the department to adequately perform its duties.

21       3. Utilize any medium of communication, publication and exhibition  
22 when disseminating information, advertising and publicity in any field of its  
23 purposes, objectives or duties.

24       4. Adopt procedural rules that are necessary to implement the  
25 authority granted under this title, but that are not inconsistent with other  
26 provisions of this title.

27       5. Contract with other agencies including laboratories in furthering  
28 any department program.

29       6. Use monies, facilities or services to provide matching  
30 contributions under federal or other programs that further the objectives and  
31 programs of the department.

32       7. Accept gifts, grants, matching monies or direct payments from  
33 public or private agencies or private persons and enterprises for department  
34 services and publications and to conduct programs that are consistent with  
35 the general purposes and objectives of this chapter. Monies received  
36 pursuant to this paragraph shall be deposited in the department fund  
37 corresponding to the service, publication or program provided.

38       8. Provide for the examination of any premises if the director has  
39 reasonable cause to believe that a violation of any environmental law or rule  
40 exists or is being committed on the premises. The director shall give the  
41 owner or operator the opportunity for its representative to accompany the  
42 director on an examination of those premises. Within forty-five days after  
43 the date of the examination, the department shall provide to the owner or  
44 operator a copy of any report produced as a result of any examination of the  
45 premises.

1           9. Supervise sanitary engineering facilities and projects in this  
2 state, authority for which is vested in the department, and own or lease land  
3 on which sanitary engineering facilities are located, and operate the  
4 facilities, if the director determines that owning, leasing or operating is  
5 necessary for the public health, safety or welfare.

6           10. Adopt and enforce rules relating to approving design documents for  
7 constructing, improving and operating sanitary engineering and other  
8 facilities for disposing of solid, liquid or gaseous deleterious matter.

9           11. Define and prescribe reasonably necessary rules regarding the water  
10 supply, sewage disposal and garbage collection and disposal for subdivisions.  
11 The rules shall:

12           (a) Provide for minimum sanitary facilities to be installed in the  
13 subdivision and may require that water systems plan for future needs and be  
14 of adequate size and capacity to deliver specified minimum quantities of  
15 drinking water and to treat all sewage.

16           (b) Provide that the design documents showing or describing the water  
17 supply, sewage disposal and garbage collection facilities be submitted with  
18 a fee to the department for review and that no lots in any subdivision be  
19 offered for sale before compliance with the standards and rules has been  
20 demonstrated by approval of the design documents by the department.

21           12. Prescribe reasonably necessary measures to prevent pollution of  
22 water used in public or semipublic swimming pools and bathing places and to  
23 prevent deleterious conditions at such places. The rules shall prescribe  
24 minimum standards for the design of and for sanitary conditions at any public  
25 or semipublic swimming pool or bathing place and provide for abatement as  
26 public nuisances of premises and facilities that do not comply with the  
27 minimum standards. The rules shall be developed in cooperation with the  
28 director of the department of health services and shall be consistent with  
29 the rules adopted by the director of the department of health services  
30 pursuant to section 36-136, subsection H, paragraph 10.

31           13. Prescribe reasonable rules regarding sewage collection, treatment,  
32 disposal and reclamation systems to prevent the transmission of sewage borne  
33 or insect borne diseases. The rules shall:

34           (a) Prescribe minimum standards for the design of sewage collection  
35 systems and treatment, disposal and reclamation systems and for operating the  
36 systems.

37           (b) Provide for inspecting the premises, systems and installations and  
38 for abating as a public nuisance any collection system, process, treatment  
39 plant, disposal system or reclamation system that does not comply with the  
40 minimum standards.

41           (c) Require that design documents for all sewage collection systems,  
42 sewage collection system extensions, treatment plants, processes, devices,  
43 equipment, disposal systems, on-site wastewater treatment facilities and  
44 reclamation systems be submitted with a fee for review to the department and



1 may require that the design documents anticipate and provide for future  
2 sewage treatment needs.

3 (d) Require that construction, reconstruction, installation or  
4 initiation of any sewage collection system, sewage collection system  
5 extension, treatment plant, process, device, equipment, disposal system,  
6 on-site wastewater treatment facility or reclamation system conform with  
7 applicable requirements.

8 14. Prescribe reasonably necessary rules regarding excreta storage,  
9 handling, treatment, transportation and disposal. The rules shall:

10 (a) Prescribe minimum standards for human excreta storage, handling,  
11 treatment, transportation and disposal and shall provide for inspection of  
12 premises, processes and vehicles and for abating as public nuisances any  
13 premises, processes or vehicles that do not comply with the minimum  
14 standards.

15 (b) Provide that vehicles transporting human excreta from privies,  
16 septic tanks, cesspools and other treatment processes shall be licensed by  
17 the department subject to compliance with the rules.

18 15. Perform the responsibilities of implementing and maintaining a data  
19 automation management system to support the reporting requirements of title  
20 III of the superfund amendments and reauthorization act of 1986 (P.L. 99-499)  
21 and title 26, chapter 2, article 3.

22 16. Approve remediation levels pursuant to article 4 of this chapter.

23 C. The department may charge fees to cover the costs of all permits  
24 and inspections it performs to insure compliance with rules adopted under  
25 section 49-203, subsection A, paragraph 6, except that state agencies are  
26 exempt from paying the fees. Monies collected pursuant to this subsection  
27 shall be deposited in the water quality fee fund established by section  
28 49-210.

29 D. The director may:

30 1. If he has reasonable cause to believe that a violation of any  
31 environmental law or rule exists or is being committed, inspect any person  
32 or property in transit through this state and any vehicle in which the person  
33 or property is being transported and detain or disinfect the person, property  
34 or vehicle as reasonably necessary to protect the environment if a violation  
35 exists.

36 2. Authorize in writing any qualified officer or employee in the  
37 department to perform any act that the director is authorized or required to  
38 do by law.

39 Sec. 38. Repeal

40 Section 49-105, Arizona Revised Statutes, is repealed.

41 Sec. 39. Section 49-225, Arizona Revised Statutes, is amended to read:

42 49-225. Water quality monitoring

43 A. The director of environmental quality shall, with the advice and  
44 cooperation of the Arizona department of agriculture and the director of  
45 water resources, conduct ongoing monitoring of the waters of the state

1 including the state's navigable waters and aquifers to detect the presence  
2 of new and existing pollutants, determine compliance with applicable water  
3 quality standards, determine the effectiveness of best management practices,  
4 agricultural best management practices and best available demonstrated  
5 control technologies, evaluate the effects of pollutants on public health or  
6 the environment and determine water quality trends.

7 B. The director shall maintain a statewide data base of groundwater  
8 and soils sampled for pollutants. All agencies shall submit to the director,  
9 in a timely manner, the results of any groundwater or soils sampling for  
10 pollutants and the results of any groundwater or soils sampling that detect  
11 any pollutants.

12 C. The director shall establish minimum requirements and schedules for  
13 groundwater and soils sampling that will ensure precise and accurate  
14 results. The requirements shall be distributed to all agencies that conduct  
15 sampling. All sampling conducted shall meet the minimum requirements  
16 established pursuant to this subsection.

17 ~~D. The director of environmental quality shall report on December 1~~  
18 ~~of each year the following information to the governor, the president of the~~  
19 ~~senate, the speaker of the house of representatives, the Arizona department~~  
20 ~~of agriculture and the director of water resources for the preceding fiscal~~  
21 ~~year ending June 30:~~

22 ~~1. The number of wells sampled for pollutants, the location of the~~  
23 ~~wells from which the samples were taken, the well numbers, if available, and~~  
24 ~~the agencies responsible for drawing and analyzing the samples.~~

25 ~~2. The number of samples with detectable levels of pollutants, the~~  
26 ~~location of the wells from which the samples were taken, the well numbers,~~  
27 ~~if available, and the agencies responsible for drawing and analyzing the~~  
28 ~~samples.~~

29 ~~3. The number, type and outcomes, by category, of enforcement actions~~  
30 ~~taken.~~

31 Sec. 40. Section 49-241, Arizona Revised Statutes, is amended to read:  
32 49-241. Permit required to discharge

33 A. Unless otherwise provided by this article, any person who  
34 discharges or who owns or operates a facility that discharges shall obtain  
35 an aquifer protection permit from the director.

36 B. Unless exempted under section 49-250, or unless the director  
37 determines that the facility will be designed, constructed and operated so  
38 that there will be no migration of pollutants directly to the aquifer or to  
39 the vadose zone, the following are considered to be discharging facilities  
40 and shall be operated pursuant to either an individual permit or a general  
41 permit, including agricultural general permits, under this article:

42 1. Surface impoundments including holding, storage settling, treatment  
43 or disposal pits, ponds and lagoons.

1           2. Solid waste disposal facilities except for mining overburden and  
2 wall rock that has not been and will not be subject to mine leaching  
3 operations.

4           3. Injection wells.

5           4. Land treatment facilities.

6           5. Facilities which add a pollutant to a salt dome formation, salt bed  
7 formation, dry well or underground cave or mine.

8           6. Mine tailings piles and ponds.

9           7. Mine leaching operations.

10          8. Underground water storage facilities.

11          9. Point source discharges to navigable waters.

12          10. Sewage treatment facilities, including on-site wastewater treatment  
13 facilities.

14          11. Wetlands designed and constructed to treat municipal and domestic  
15 wastewater for underground storage.

16          C. The director shall provide public notice and an opportunity for  
17 public comment on any request for a determination from the director under  
18 subsection B of this section that there will be no migration of pollutants  
19 from a facility. A public hearing may be held at the discretion of the  
20 director if sufficient public comment warrants a hearing. The director may  
21 inspect and may require reasonable conditions and appropriate monitoring and  
22 reporting requirements for a facility managing pollutants that are determined  
23 not to migrate under subsection B of this section. The director may identify  
24 types of facilities, available technologies and technical criteria for  
25 facilities that will qualify for such a determination. The director's  
26 determination may be revoked on evidence that pollutants have migrated from  
27 the facility. The director may impose a review fee for a determination under  
28 subsection B of this section. Any issuance, denial or revocation of a  
29 determination may be appealed pursuant to section 49-323.

30          D. The director shall publish a list of the names and locations of  
31 existing facilities that are required to obtain an aquifer protection  
32 permit. The director may revise the list as needed. Any revised list shall  
33 contain deadlines for the submittal of applications for aquifer protection  
34 permits, based on the degree of risk to the public health and welfare and the  
35 environment and based on a work plan of the director designed to process all  
36 applications for an aquifer protection permit no later than January 1, 2004  
37 for nonmining facilities and no later than January 1, 2006 for mining  
38 facilities.

39          E. The director shall publish annually MAKE the fee schedule for  
40 aquifer protection permit applications AVAILABLE TO THE PUBLIC ON REQUEST AND  
41 ON THE DEPARTMENT'S WEB SITE and a list of the names and locations of the  
42 facilities that have filed applications for aquifer protection permits, with  
43 a description of the status of each application, SHALL BE AVAILABLE TO THE  
44 PUBLIC ON REQUEST.

1 F. The director shall prescribe the procedures for aquifer protection  
2 permit applications and fee collection under this section. The director  
3 shall deposit, pursuant to sections 35-146 and 35-147, all monies collected  
4 under this section in the water quality fee fund established by section  
5 49-210 and may authorize expenditures from the fund, subject to legislative  
6 appropriation, to pay reasonable and necessary costs of processing and  
7 issuing permits and administering the registration program.

8 Sec. 41. Section 49-241.02, Arizona Revised Statutes, is amended to  
9 read:

10 49-241.02. Maximum payment for aquifer protection permit fees;  
11 definitions

12 A. The department shall annually determine maximum fees for aquifer  
13 protection permit action applications that are submitted by an applicant  
14 pursuant to section 49-241 by calculating the permit hours multiplied by the  
15 hourly rate. Maximum fees shall be listed in the annual fee schedule that is  
16 published POSTED ON THE DEPARTMENT'S WEB SITE AND MADE AVAILABLE ON PUBLIC  
17 REQUEST by the department pursuant to section 49-241. The department may  
18 specify maximum fees that are based on the sector or permit action, or both.

19 B. The maximum fees for processing permit action applications shall  
20 be the lesser of the amount calculated in subsection A of this section or  
21 seventy-five thousand dollars. The applicable maximum fee for any  
22 application submitted before ~~the effective date of the amendment to this~~  
23 ~~subsection~~ APRIL 28, 2000 shall be reduced by the amount of the payments made  
24 by the applicant to the department before ~~the effective date of the amendment~~  
25 ~~to this subsection~~ APRIL 28, 2000 to process the application, but the total  
26 fee cap reduction shall not exceed sixteen thousand dollars. The maximum  
27 fees for processing applications other than permit action applications shall  
28 be the lesser of the amount calculated in subsection A of this section or:

29 1. For the closure of facilities without aquifer protection permits,  
30 thirty-five thousand dollars.

31 2. For standard applications to modify an individual or area-wide  
32 permit, fifteen thousand dollars.

33 C. Each permit action application submitted by the applicant is  
34 subject to a maximum fee and the form of the permit action application  
35 selected by the applicant shall be the basis for the fee. For a permit  
36 action application submitted to the department after ~~the effective date of~~  
37 ~~the amendment to this subsection~~ APRIL 28, 2000, the maximum fee shall be  
38 determined based on the fee schedule that is in effect at the time the  
39 department deems the permit action application to be administratively  
40 complete. The applicable maximum fee shall be specified in the notice of  
41 administrative completeness that the department provides for that permit  
42 action application. For a permit action application deemed administratively  
43 complete before ~~the effective date of the amendment to this subsection~~ APRIL  
44 28, 2000, the department shall specify the maximum fee in a supplemental  
45 notice.

1 D. If the department contracts with a consultant under section 49-203,  
2 an applicant may request that the department expedite the application review  
3 by requesting that the department use the services of the consultant and  
4 agreeing to pay to the department the costs of the consultant's services  
5 regardless of the other provisions of this section.

6 E. The department shall review the revenues derived from and expenses  
7 incurred for processing permit action applications through June 30, 2004 to  
8 determine the adequacy of the maximum fees, and by August 31, 2004, the  
9 department shall issue a report to the legislature on its findings.

10 F. For purposes of this section:

11 1. "Annual fee schedule" means the hourly rate charged for services  
12 provided by the department for a particular fiscal year pursuant to section  
13 49-241, subsection E and the maximum fees for those services.

14 2. "Complex modification" means, for purposes of the mining sector,  
15 any of the following:

16 (a) Any new tailing impoundment, leach pad or stockpile, waste rock  
17 pile, or process solution impoundment or conveyance required to have an  
18 individual permit under this article, unless this new facility is within an  
19 approved passive containment capture zone under section 49-243, subsection  
20 G, paragraph 1.

21 (b) The expansion of the footprint of any tailing impoundment, leach  
22 pad or stockpile, waste rock pile, or process solution impoundment or  
23 conveyance permitted under this article if the expanded facility is not  
24 located within a passive containment capture zone under section 49-243,  
25 subsection G, paragraph 1, and the expansion either:

26 (i) Requires expansion of the pollutant management area.

27 (ii) Extends over a geologic unit of higher hydraulic conductivity  
28 than the original facility, unless the original facility is lined and the  
29 same liner is extended to cover the entire expansion area.

30 (c) (iii) Extends into another drainage.

31 3. "Hourly rate" means the fee that is charged for department  
32 services, that is calculated on an annual basis and that is specified in the  
33 annual fee schedule pursuant to section 49-241, subsection E.

34 4. "Maximum fee" means the maximum amount the department is authorized  
35 to charge for services for a permit action application or other permit  
36 services.

37 5. "Notice of administrative completeness" means a document that is  
38 issued by the department AND that notifies the applicant that all necessary  
39 documents and information have been submitted by the applicant to the  
40 department.

41 6. "Permit action" means:

42 (a) Issuance of an individual or area-wide permit to operate or to  
43 close.

44 (b) Issuance of a complex modification of an individual or area-wide  
45 permit.

1 (c) Issuance of a clean closure approval.

2 (d) Denial of any application.

3 7. "Permit action application" means an application for:

4 (a) An individual or area-wide permit to operate.

5 (b) Significant amendment to an individual or area-wide permit.

6 8. "Permit hours" means the seventy-fifth percentile calculated of the  
7 number of hours to complete individual and area-wide permits within a  
8 particular sector that are issued within a rolling four year period,  
9 beginning with fiscal year 1995-1996 through fiscal year 1998-1999.

10 9. "Sector" means a category of permit for either dry well,  
11 industrial, mining or wastewater.

12 G. The department shall adopt a rule to define "complex modification"  
13 for other nonmining aquifer protection permit sectors.

14 Sec. 42. Section 49-249, Arizona Revised Statutes, is amended to read:

15 49-249. Aquifer pollution information

16 The director shall report MAKE AVAILABLE TO THE PUBLIC UPON REQUEST AND  
17 ON THE AGENCY'S WEB SITE every five years ~~on December 1 to the governor, the~~  
18 ~~president of the senate and the speaker of the house of representatives on~~  
19 ~~the levels of pollutants in aquifers in this state and the effects of~~  
20 ~~regulation under this chapter in general and best management practices in~~  
21 ~~particular on controlling or reducing pollution in aquifers. The director~~  
22 ~~shall prepare and submit the first report not later than January 1, 1993 and~~  
23 ~~the second report not later than December 1, 1997.~~

24 Sec. 43. Section 49-282, Arizona Revised Statutes, is amended to read:

25 49-282. Water quality assurance revolving fund

26 A. A water quality assurance revolving fund is established to be  
27 administered by the director. The fund consists of monies from the following  
28 sources:

29 1. Monies appropriated by the legislature.

30 2. Fertilizer license fees allocated under section 3-272, subsection  
31 B, paragraph 2.

32 3. Pesticide registration fees allocated under section 3-351,  
33 subsection D, paragraph 2.

34 4. The tax on water use pursuant to section 42-5302.

35 5. Water quality assurance fees collected under section 45-616.

36 6. Industrial discharge registration fees collected under section  
37 49-209.

38 7. Manifest resubmittal fees collected under section 49-922.01.

39 8. Hazardous waste facility registration fees collected under section  
40 49-929.

41 9. Hazardous waste resource recovery facility registration fees  
42 collected under section 49-930.

43 10. Monies recovered from responsible parties as remedial action costs.

44 11. Monies received as costs for a review of remedial actions at the  
45 request of a person other than the state.

1       12. Monies received from the collection of corporate income taxes under  
2 title 43, chapter 11, article 2 as prescribed by subsection B of this  
3 section.

4       13. Prospective purchaser agreement fees collected under section  
5 49-285.01.

6       B. The water quality assurance revolving fund shall be assured of an  
7 annual funding amount of eighteen million dollars. Beginning July 1, 1999,  
8 as soon as practicable at the beginning of each fiscal year, the state  
9 treasurer shall transfer the sum of fifteen million dollars to the water  
10 quality assurance revolving fund from the corporate income tax as collected  
11 pursuant to title 43, chapter 11, article 2. As custodian of the fund, the  
12 director shall certify to the governor, the state treasurer, the president  
13 of the senate and the speaker of the house of representatives at the end of  
14 that fiscal year the amount of monies deposited in the water quality  
15 assurance revolving fund pursuant to subsection A, paragraphs 1 through 9.  
16 At the end of the fiscal year the state treasurer shall adjust the fifteen  
17 million dollar transfer of corporate income tax so that, when combined with  
18 monies deposited in the fund during that fiscal year pursuant to subsection  
19 A, paragraphs 1 through 9, the fund receives eighteen million dollars each  
20 fiscal year. This adjustment shall occur as part of the year-end book  
21 closing process for that fiscal year. If sufficient monies from the  
22 corporate income tax are not available to make any necessary upward  
23 adjustments as part of the year-end book closing, the state treasurer shall  
24 transfer the monies necessary to achieve the eighteen million dollar funding  
25 level from the transaction privilege and severance tax clearing account  
26 pursuant to section 42-5029, subsection D, paragraph 4, to the water quality  
27 assurance revolving fund. Any transfers prescribed by this subsection shall  
28 not be deducted from the net proceeds distributed pursuant to section 43-206.

29       C. At the beginning of each fiscal year the director shall transfer  
30 the sum of eight hundred thousand dollars from the water quality assurance  
31 revolving fund to the Arizona water quality fund established by section  
32 45-618.

33       D. Monies in the fund are exempt from lapsing under section 35-190.  
34 Interest earned on monies in the fund shall be credited to the fund.

35       E. Monies from the water quality assurance revolving fund shall be  
36 used for the following purposes:

37       1. To provide state matching monies or to meet such other obligations  
38 as are prescribed by section 104 of CERCLA.

39       2. For all reasonable and necessary costs to implement this article,  
40 including:

41       (a) Taking remedial actions.

42       (b) Conducting investigations of an area to determine if a release or  
43 a threatened release of a hazardous substance exists.

44       (c) Conducting remedial investigations, feasibility studies, health  
45 effect studies and risk assessments.

1 (d) Identifying and investigating potentially responsible parties and  
2 allocating liability among the responsible parties.

3 (e) Funding orphan shares.

4 (f) Participating in the allocation process, administrative appeals  
5 and court actions.

6 (g) Funding the community advisory boards and other community  
7 involvement activities and the water quality assurance revolving fund  
8 advisory board.

9 (h) Remediating pollutants if necessary to remediate a hazardous  
10 substance.

11 3. For the reasonable and necessary costs of monitoring, assessing,  
12 identifying, locating and evaluating the degradation, destruction, loss of  
13 or threat to the waters of the state resulting from a release of a hazardous  
14 substance to the environment.

15 4. For the reasonable and necessary costs of administering the fund.

16 5. For the reasonable and necessary costs of administering the  
17 industrial discharge registration program under section 49-209.

18 6. For the costs of the water quality monitoring program described in  
19 section 49-225.

20 7. For compliance monitoring, investigation and enforcement activities  
21 pertaining to generating, transporting, treating, storing and disposing of  
22 hazardous waste. The amount to be used pursuant to chapter 5 of this title  
23 is limited to the amount received in the prior fiscal year from the hazardous  
24 waste facility registration fee.

25 8. For emergency response use as prescribed in section 49-282.02.

26 9. For all reasonable and necessary costs of the preparation and  
27 execution of prospective purchaser agreements.

28 10. For all reasonable and necessary costs of the voluntary remediation  
29 program.

30 11. To reimburse a political subdivision of this state for its  
31 reasonable, necessary and cost-effective remedial action costs incurred in  
32 response to a release or threat of a release of a hazardous substance or  
33 pollutants that presents an immediate and substantial endangerment to the  
34 public health or the environment. The political subdivision is not eligible  
35 for reimbursement until it has taken all reasonable efforts to obtain  
36 reimbursement from the responsible party and the federal government. No more  
37 than two hundred fifty thousand dollars may be spent from the fund for this  
38 purpose in any fiscal year.

39 12. For all reasonable and necessary costs incurred by the department  
40 pursuant to section 49-282.04 and the department of water resources pursuant  
41 to section 45-605 for well inspections, remedial actions and review and  
42 approval of well construction necessary to prevent vertical  
43 cross-contamination. The director of environmental quality and the director  
44 of water resources shall enter into an agreement for the transfer of these  
45 costs.



1       13. For actions that are taken pursuant to section 49-282.03 before the  
2 selection of a remedy.

3       14. For the reasonable and necessary costs of the conveyance, use or  
4 discharge of water remediated as part of a remedy under this article.

5       15. For the reasonable and necessary costs incurred by the department  
6 of health services at the request of the director of environmental quality  
7 to assess and evaluate the effect of a release or threatened release of  
8 hazardous substances to the public health or welfare and the  
9 environment. The director of environmental quality and the director of the  
10 department of health services shall enter into an agreement for the transfer  
11 of these costs. The assessment and evaluation by the department of health  
12 services may include:

13       (a) Performing health effect studies and risk assessments.

14       (b) Evaluating and calculating cleanup standards.

15       (c) Assisting in communicating health and risk issues to the public.

16       16. For the reasonable and necessary costs incurred by the department  
17 of law to provide legal services at the request of the director of  
18 environmental quality.

19       17. For the reasonable and necessary costs of contracting for the goods  
20 and services to enable the director to implement this article.

21       18. For remediation demonstration projects that use bioremediation or  
22 other alternative technologies. The department may not use more than five  
23 hundred thousand dollars in a fiscal year pursuant to this paragraph.

24       F. Any political subdivision of this state which uses, used or may use  
25 waters of the state for drinking water purposes or any state agency,  
26 regardless of whether the political subdivision or state agency is a  
27 responsible party, may apply to the director for monies from the fund to be  
28 used for remedial action. An application to the fund for remedial action  
29 costs shall not be treated as an admission that a political subdivision or  
30 an agency of the state is a responsible party, but a political subdivision  
31 or a state agency that is a responsible party is liable for remedial action  
32 costs in the same manner, including reimbursement of the fund, as any other  
33 responsible party. The political subdivision shall commit a local matching  
34 amount at least equal to the amount sought from the fund.

35       ~~6. The director shall prepare and submit a written report to the~~  
36 ~~speaker of the house of representatives and the president of the senate in~~  
37 ~~December of each year. The report shall describe:~~

38       ~~1. The accomplishments from expenditures from the fund during the~~  
39 ~~preceding fiscal year in terms of the reduction of contamination in the~~  
40 ~~environment and actions taken to determine the nature and extent of~~  
41 ~~contamination.~~

42       ~~2. The status of all sites on the registry, including the site~~  
43 ~~locations, the basis for establishing site boundaries and whether remedial~~  
44 ~~actions taken to date would support a modification of the boundaries of the~~  
45 ~~site.~~

1       ~~3. The number of settlements made with responsible parties and the~~  
2 ~~terms of each settlement.~~

3       ~~4. The number and types of settlements applied for and made pursuant~~  
4 ~~to sections 49-292.01 and 49-292.02, including:~~

5       ~~(a) The number of applications submitted under each section.~~

6       ~~(b) The number of applications denied under each section.~~

7       ~~(c) The number of applicants who settled based on the formula in~~  
8 ~~section 49-292.01, subsection C, paragraph 1 and the total amount of the~~  
9 ~~settlements.~~

10       ~~(d) The number of settlements pursuant to section 49-292.02 and the~~  
11 ~~total amount of the settlements.~~

12       ~~(e) The number of persons who met the definition of qualified business~~  
13 ~~under section 49-292.01, subsection J but who settled pursuant to section~~  
14 ~~49-292.02, for each such person, the amount of the settlement as a percentage~~  
15 ~~of the person's average annual gross income for the two years preceding the~~  
16 ~~request for settlement, and for all such persons, the total of the difference~~  
17 ~~between the settlement amounts and the amounts that would have been paid~~  
18 ~~based on the formula in section 49-292.01, subsection C, paragraph 1.~~

19       H. G. The director of environmental quality shall prepare and submit  
20 a budget for the water quality assurance revolving fund program and the  
21 director of water resources shall prepare and submit a budget for the Arizona  
22 water quality fund with the departments' budgets that are required pursuant  
23 to section 35-111. The committees on appropriations of the house of  
24 representatives and the senate shall review the water quality assurance  
25 revolving fund budget and the Arizona water quality fund budget and the  
26 reports made pursuant to subsection G of this section to ensure that the  
27 departments' expenditures are made in accordance with the legislature's  
28 intent and that the departments are making adequate progress toward  
29 accomplishing that intent.

30       Sec. 44. Section 49-461, Arizona Revised Statutes, is amended to read:  
31       49-461. Violations; order of abatement

32       When the director has reasonable cause to believe that any person has  
33 violated or is in violation of any provision of this article, any rule  
34 adopted pursuant to this article or any requirement of a permit issued  
35 pursuant to this article, he may serve upon such person by certified mail or  
36 in person an order of abatement or may file a complaint in superior court  
37 alleging a violation pursuant to section 49-463. The order shall state with  
38 particularity the act constituting the violation, shall state in its entirety  
39 the specific requirement, provision or rule violated, shall state the  
40 duration of the order and shall state that the alleged violator is entitled  
41 to a hearing, if such hearing is requested in writing within thirty days  
42 after the date of issuance of the order. The order may be conditional and  
43 require a person to refrain from particular acts unless certain conditions  
44 are met. An order issued under this section shall require the persons to  
45 whom it is issued to comply with the requirement, provision or rule as

1 expeditiously as practicable. In the case of a source required to obtain a  
2 permit pursuant to this article and title V of the clean air act, the order  
3 shall require compliance no later than one year after the date the order was  
4 issued and may be renewable for no more than one additional year on a showing  
5 of good cause to the director. ~~The director shall report annually, by~~  
6 ~~December 1, to the governor, the president of the senate, the speaker of the~~  
7 ~~house of representatives and the director of the Arizona state library,~~  
8 ~~archives and public records on the sources that are issued an order of~~  
9 ~~abatement or a renewal pursuant to this section. The report shall include~~  
10 ~~summary information about the source and the order. If the order was~~  
11 ~~renewed, the report shall also include a summary of the justification for the~~  
12 ~~renewal. The director shall publish the following information on the~~  
13 ~~department's internet web site:~~

14 ~~1. A notice that an abatement order has been issued pursuant to this~~  
15 ~~section and summary information about the order.~~

16 ~~2. A notice that an order of abatement has been renewed pursuant to~~  
17 ~~this section and summary information about the renewal.~~

18 Sec. 45. Section 49-832, Arizona Revised Statutes, is amended to read:

19 49-832. Administration and enforcement by department of  
20 environmental quality; powers and duties

21 A. The department of environmental quality shall administer and  
22 oversee the enforcement of this article.

23 B. In addition to its other powers and duties, the department shall:

24 1. Prepare, update and oversee implementation of the Arizona recycling  
25 program consistent with the goals of this article.

26 2. Designate an Arizona recycling coordinator to oversee the program.

27 3. Serve as the agency of this state for the receipt of monies from  
28 the federal government or other public or private institutions.

29 4. Cooperate with appropriate federal, state, interstate and local  
30 units of government and with appropriate private organizations in carrying  
31 out its duties under this article.

32 5. Initiate, conduct and support research, demonstration projects and  
33 investigations and monitor all agency research programs in this state  
34 pertaining to recycling and source reduction.

35 6. Administer and distribute monies in the recycling fund for public  
36 education programs on recycling and source reduction that the department  
37 believes will provide technical assistance for recycling and source  
38 reduction, for research and for other purposes consistent with this article.

39 7. Administer and distribute monies in the recycling fund designated  
40 for the award of grants established under this article.

41 8. Adopt rules pursuant to title 41, chapter 6 to implement,  
42 administer and enforce the provisions of this article.

43 9. Encourage the use of private industry through contracts for some  
44 or all of the requirements of the Arizona recycling program and other  
45 activities as may be considered necessary.

1        10. Monitor municipalities and counties for compliance with sections  
2 9-500.07 and 11-269 concerning an opportunity to engage in recycling and  
3 waste reduction.

4        ~~C. On December 1 of each year, make a report to the governor and the~~  
5 ~~legislature which includes:~~

6        ~~1. Recommendations on the feasibility of maximizing the use of the~~  
7 ~~following:~~

8        ~~(a) Rerefined oil for state lubricating oil needs.~~

9        ~~(b) This state's used oil as the oil feedstock to rerefiners.~~

10        ~~2. The volume of materials that were recycled by state recycling~~  
11 ~~programs in the preceding year.~~

12        ~~3. An analysis of the various components of the waste stream to~~  
13 ~~propose changes which will conserve energy and reduce solid waste generation.~~

14        ~~4. Costs of operating and maintaining the recycling programs which~~  
15 ~~exist in this state.~~

16        ~~5. Revenue from the sale or use of recycled materials in existing~~  
17 ~~programs and costs avoided in processing or disposal.~~

18        ~~6. Recycling opportunities, impediments or disincentives unique to~~  
19 ~~this state.~~

20        ~~7. Information regarding the public education program described in~~  
21 ~~section 49-833.~~

22        D. C. The department of environmental quality, in consultation with  
23 the department of health services regarding matters of public health  
24 significance, shall do both of the following:

25        1. Initiate, conduct and support research, demonstration projects and  
26 investigations and coordinate all state agency research programs pertaining  
27 to municipal and county solid waste management systems.

28        2. Spend monies for studies and research with respect to the  
29 provisions and goals of this article and the rules adopted under it.

30        Sec. 46. Repeal

31        Section 49-966, Arizona Revised Statutes, is repealed.

32        Sec. 47. Section 49-1051, Arizona Revised Statutes, is amended to  
33 read:

34        49-1051. The assurance account

35        A. The assurance account of the underground storage tank revolving  
36 fund consists of underground storage tank tax revenues collected and  
37 distributed under section 49-1036, amounts reimbursed to the account by the  
38 department and any other monies designated for the account by the  
39 legislature. Monies from state appropriations shall not be used for  
40 administrative costs.

41        B. Monies in the assurance account may be used by the director as  
42 follows:

43        1. To provide coverage for eligible costs.

44        2. To reimburse the department for the reasonable and necessary costs  
45 incurred by the department in administering the corrective action

1 requirements of this chapter. When combined with monies used by the director  
2 pursuant to paragraph 3, beginning July 1, 2002, monies used by the director  
3 pursuant to this paragraph in a single year shall not exceed five million  
4 seven hundred thousand dollars or twenty-one per cent of the monies received  
5 by the assurance account in the previous fiscal year, whichever is greater.

6 3. To reimburse the department for the reasonable costs of  
7 administering the assurance account. The department shall not pay from the  
8 assurance account any costs, payments or other expenses that result from a  
9 contract awarded pursuant to this subsection unless the contract includes  
10 performance standards and contractual penalties for nonperformance or  
11 inadequate performance under the contract. When combined with monies used  
12 by the director pursuant to paragraph 2, beginning July 1, 2002, monies used  
13 by the director pursuant to this paragraph in a single year shall not exceed  
14 five million seven hundred thousand dollars or twenty-one per cent of the  
15 monies received by the assurance account in the previous fiscal year,  
16 whichever is greater.

17 4. To pay for the reasonable and necessary costs incurred by the  
18 department in taking corrective actions under section 49-1017.

19 C. The director shall reimburse the assurance account for any  
20 corrective action costs which are paid out of the assurance account and are  
21 subsequently recovered by the department under section 49-1017.

22 ~~D. On or before December 1 of each year the director shall submit a~~  
23 ~~report to the legislature of assurance account activities for the preceding~~  
24 ~~fiscal year. The report shall include the balance of monies in the account~~  
25 ~~at the beginning of the fiscal year, monies deposited in the account by~~  
26 ~~source during the fiscal year, disbursements from the account by category~~  
27 ~~during the fiscal year, the average daily balance in the account during the~~  
28 ~~fiscal year, the balance in the account at the end of the fiscal year and a~~  
29 ~~projection of the balances in the account at the end of the current fiscal~~  
30 ~~year and the subsequent fiscal year. The director shall include in the~~  
31 ~~report his recommendation, pursuant to section 49-1031, subsection A, for any~~  
32 ~~revision of the underground storage tank tax rate necessary to maintain an~~  
33 ~~average balance in the assurance account of thirty-six million dollars.~~

34 Sec. 48. Repeal

35 Laws 1997, chapter 100, section 21 is repealed.

36 Sec. 49. Laws 1997, chapter 300, section 65, as amended by Laws 2000,  
37 chapter 280, sections 14 and 15, is amended to read:

38 Sec. 65. Department of economic security welfare eligibility  
39 technology system; contract

40 A. The department of economic security may enter into a contract with  
41 a private provider to implement a computer-based technology system that will  
42 determine eligibility for welfare programs, support welfare reform processes  
43 and policy and that is designed to:

44 1. Maximize the return of existing and potential welfare recipients  
45 to the work force.

- 1        2. Make welfare eligibility decisions correctly and consistently.
- 2        3. Reduce the caseworker error rate for welfare determinations.
- 3        4. Simplify the welfare eligibility determination process.
- 4        5. Standardize local welfare office procedures.
- 5        6. Increase staff productivity and fraud detection.

6 B. The system shall comply with the review and approval requirements  
7 of section 41-3504, Arizona Revised Statutes, relating to the government  
8 information technology agency and section 41-3521, Arizona Revised Statutes,  
9 relating to the information technology authorization committee.

~~C. If a contract for the system is entered into, the director of the department of economic security shall prepare and file a report with the governor, the speaker of the house of representatives and the president of the senate at the end of the contract term.~~

14           Sec. 50. Laws 1997, chapter 300, section 77 is amended to read:

15       Sec. 77. Paternity establishment enhancement efforts;  
16               appropriation

17       A. The department of economic security shall implement programs that  
18       are designed to expand and enhance paternity establishment efforts through  
19       private sector involvement.

~~8. The department shall submit a report describing these programs and the results of these programs to the governor, the president of the senate, the speaker of the house of representatives, the secretary of state and the department of library, archives and public record on or before November 15 of each year.~~

25       C. B. The sum of \$200,000 is appropriated from the state general fund  
26       to the department of economic security in fiscal year 1997-1998 for the  
27       paternity establishment efforts prescribed in this section.

28       Sec. 51. Laws 1997, first special session, chapter 1, section 11, as  
29       amended by Laws 1998, fourth special session, chapter 1, section 8, is  
30       amended to read:

31 Sec. 11. DEPARTMENT OF TRANSPORTATION

32 Motor vehicle division

33	FTE positions	1,362.0
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34	Lump sum appropriation	\$ 60,431,900
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35 Fund sources:

36	State highway fund	\$ 58,952,100
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37	Dealer enforcement fund	275,000
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38	Abandoned vehicle fund	454,800
----	------------------------	---------

39                    Safety enforcement and transportation

40	infrastructure fund	750,000
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41 The department shall provide a written report not later than September  
42 30, 1997 to the speaker of the house of representatives, the president of the  
43 senate, the chairmen of the house of representatives and senate  
44 appropriations committees and the director of the joint legislative budget  
45 committee detailing its efforts to increase the number and per cent of

1 vehicle registrations renewed by mail, by use of the worldwide web or by  
2 other nonwalk-in means, and documenting its success and any savings in each  
3 area.

4 The department shall provide a written report not later than September  
5 30, 1997 to the speaker of the house of representatives, the president of the  
6 senate, the chairmen of the house of representatives and senate  
7 appropriations committees, and the director of the joint legislative budget  
8 committee documenting the costs and results of expanding its  
9 performance-based incentive pay program from 3 to 24 offices.

10 The department shall provide written quarterly ANNUAL reports to the  
11 speaker of the house of representatives, the president of the senate, the  
12 chairmen of the house of representatives and senate appropriations  
13 committees, and the director of the joint legislative budget committee,  
14 documenting the monthly averages for customer wait time, transaction time,  
15 and total time in the office for each MVD field office equipped with  
16 electronic customer monitoring devices, and the reasons for changes therein.

17 The department shall report its implementation cost, when it began  
18 receiving additional revenue, and the amounts of additional revenue received  
19 in fiscal year 1997-1998 not later than August 31, 1998 to the joint  
20 legislative budget committee for each of the following special projects: port  
21 permit/citation tracking; biennial registration II; registration enforcement;  
22 VINA annual clean-up; expanded motor vehicle record sales; abandoned vehicle  
23 tagging II; and accelerated special plate fee. The department shall report  
24 benchmarks for each of the seven special projects against which additional  
25 revenue will be measured not later than July 1, 1997 to the joint legislative  
26 budget committee.

27 The department shall report by July 31, 1998 to the joint legislative  
28 budget committee as to the effectiveness of the additional auditing done in  
29 response to the elimination of the weight-distance tax in fiscal year  
30 1997-1998, including a comparison of projected and actual audit assessments  
31 for fiscal year 1997-1998.

32 It is the intent of the legislature that the additional \$700,000 for  
33 fiscal year 1997-1998 for MVD be used for customer service representatives  
34 to reduce customer wait times in MVD field offices.

35 Highway maintenance

36 FTE positions 951.0

37 Lump sum appropriation \$ 74,891,100

38 Fund sources:

39 State highway fund \$ 74,891,100

40 This appropriation is exempt from section 35-190, Arizona Revised  
41 Statutes, relating to lapsing of appropriations, except that all unexpended  
42 and unencumbered monies of the appropriation revert to the state highway fund  
43 on August 31, 1998.

1	<u>Remainder of the department</u>	
2	FTE positions	1,370.0
3	Operating lump sum appropriation	\$ 75,764,700
4	Risk management premium	8,266,000
5	Other transit planning	16,800
6	Radio communications	405,900
7	Reimbursement to highway fund	<u>10,000</u>
8	Total - remainder of the department	\$ 84,463,400

9	Fund sources:	
10	State general fund	\$ 76,400
11	State highway fund	82,722,300
12	State aviation fund	1,627,800
13	Air quality fund	<u>36,900</u>
14	Total appropriation - department of transportation	\$219,786,400

15	Fund sources:	
16	State general fund	\$ 76,400
17	Other appropriated funds	219,710,000

18 Sec. 52. Laws 1997, first special session, chapter 7, section 62 is  
 19 amended to read:

20 Sec. 62. ARIZONA STATE LOTTERY COMMISSION

21		<u>1997-98</u>	<u>1998-99</u>
22	FTE positions	121.0	121.0
23	Operating lump sum appropriation	\$ 6,631,800	\$ 5,818,000
24	Sales incentive program	50,000	50,000
25	Telecommunications	<u>1,918,000</u>	<u>1,989,800</u>
26	Total appropriation - Arizona state lottery		
27	commission	\$ 8,599,800	\$ 7,857,800

28	Fund source:	
29	State lottery fund	\$ 8,599,800    \$ 7,857,800

30 In addition to the amounts shown above for the operating budget, an  
 31 amount equal to 3.1 per cent of instant ticket sales is appropriated for the  
 32 printing of instant tickets or for contractual obligations concerning the  
 33 outsourcing of instant ticket operations. This amount is currently estimated  
 34 to be \$3,171,900 in fiscal year 1997-1998 and \$3,203,200 in fiscal year  
 35 1998-1999.

36 Prior to contracting with a vendor of instant ticket operations, the  
 37 Arizona lottery commission shall report to the joint legislative budget  
 38 committee for review, the results of the competitive government review by the  
 39 office of excellence in government, and potential operating savings from a  
 40 reduction in personal services and related costs associated with outsourcing  
 41 instant ticket operations.



1 An amount equal to the percentage of gross lottery game sales as  
2 determined by the matrix set forth in contract is appropriated for payment  
3 of on-line vendor fees. This amount is currently estimated to be \$4,956,900  
4 in fiscal year 1997-1998 and \$4,619,000 in fiscal year 1998-1999 or 3.1 per  
5 cent of sales.

6 ~~The lottery commission shall transmit quarterly reports on the~~  
7 ~~distribution of all tickets and passes for events to the speaker of the house~~  
8 ~~of representatives, the president of the senate, the chairmen of the house~~  
9 ~~and senate appropriations committees and the director of the joint~~  
10 ~~legislative budget committee. The report shall include the name of each~~  
11 ~~individual receiving each ticket, the individual's title and affiliation, a~~  
12 ~~description of the event, the date of the event and the cash value of the~~  
13 ~~ticket.~~

14 In addition to the amounts shown above, an amount equal to 3.7 per cent  
15 of gross lottery game sales, but no more than \$11,000,000, is appropriated  
16 for advertising in accordance with section 5-505, Arizona Revised Statutes,  
17 which states that not more than four per cent of the annual gross revenues  
18 shall be expended for advertising. This amount is currently estimated to be  
19 \$9,671,800 in fiscal year 1997-1998 and \$9,305,500 in fiscal year 1998-1999.

20 In addition to the amounts shown above for the operating budget, an  
21 amount equal to six per cent of gross lottery game sales is appropriated for  
22 payment of sales commissions to ticket retailers. This amount is currently  
23 estimated to be \$15,684,000 in fiscal year 1997-1998 and \$15,090,000 in  
24 fiscal year 1998-1999.

25 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,  
26 any transfer to or from the amounts appropriated for instant tickets,  
27 telecommunications, advertising, retailer commissions, on-line vendor fees  
28 and sales incentive program shall require approval of the joint legislative  
29 budget committee.

30 If the number of on-line terminals exceeds 2,483 in fiscal year  
31 1997-1998 or 2,576 in fiscal year 1998-1999, amounts above \$1,918,000 in  
32 fiscal year 1997-1998 or \$1,989,800 in fiscal year 1998-1999 may be expended  
33 at the average rate of \$63.50 per additional terminal per month, up to the  
34 allowable terminals set forth in contract.

35 Sec. 53. Laws 1999, chapter 250, section 17 is amended to read:

36 Sec. 17. Prevention of double taxation; negotiations with other  
37 states

38 A. The legislature finds that:

39 1. Taxpayers who are domiciled in this state and who spend extended  
40 periods of time in other states that have statutory residency requirements  
41 may be subject to taxation on their entire income by more than one state.

42 2. It is good public policy and the intent of the legislature to have  
43 a fair and equitable taxation of income of those citizens' incomes. To that  
44 end, section 43-1071, subsection E, Arizona Revised Statutes, as amended by  
45 this act, prevents double taxation.

- 1           B. The director of the department of revenue shall:—  
2           1. negotiate with officials in other states that have statutory  
3           residency requirements to determine possible resolutions to the multiple tax  
4           burden that has existed for persons who are domiciled in this state but who  
5           are considered to be residents of other states.  
6           2. ~~Report periodically on the progress of these negotiations to the~~  
7           ~~governor, the president of the senate and the speaker of the house of~~  
8           ~~representatives.~~

APPROVED BY THE GOVERNOR APRIL 28, 2003.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 28, 2003.



Passed the House March 3, 2003,

Passed the Senate April 15, 2003

by the following vote: 58 Ayes,

by the following vote: 29 Ayes,

0 Nays, 2 Not Voting

0 Nays, 21 Not Voting

Jake Elala  
Speaker of the House

Klu Bennett  
President of the Senate

Norman L. Moore  
Chief Clerk of the House

Norma Chastain  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

H.B. 2049

HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

April 22, 2003,

by the following vote: 52 Ayes,

2 Nays, 6 Not Voting

Jake Flake  
Speaker of the House  
Norman L. Moore  
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

22 day of April, 2003,

at 11:07 o'clock A M.

Sandra Ramirez  
Secretary to the Governor

Approved this 28 day of

April, 2003,

at 3<sup>30</sup> o'clock P. M.

J. A. Angelle  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 28 day of April, 2003,

H.B. 2049

at 4:51 o'clock P M.

Jamie K. Brewer  
Secretary of State